

British Steel will make improved pay offer today

The British Steel Corporation is to put a revised pay offer to the two main steel unions today as the strike enters its sixth week. Last night the Government ruled out any prospect of accelerating legislation on secondary picketing and blacking.

Package after secret Luxembourg talks

By Paul Rountledge
Labour Editor

A revised pay offer is to be put to leaders of the two main steel unions today by the British Steel Corporation as the state industry strike goes into its sixth week.

A new package is being put together after a secret round of informal talks between the two sides at a labour affairs committee meeting in the European Coal and Steel Community in Luxembourg, and BSC management hope it will be enough to get full-scale negotiations resumed.

Mr Robert Scholey, chief executive of British Steel, said last night: "The period of exploration is coming to an end. I will be speaking to Bill Sims (general secretary of the Iron and Steel Trades Confederation) and I have every reason to believe that this conversation will coincide with the view that negotiations should restart."

British Steel would not give details of the revised offer, but it is certain to be an improvement on the last proposal of 3 per cent at national level and a guarantee of 4 per cent from local productivity, the whole package to be financed from job savings and higher output.

Leaders of the Iron and Steel Trades Confederation (ISTC) and the National Union of Blastfurnacemen have said they would not reopen negotiations until British Steel put new money "on the table".

The acid test of the prospects for peace still lies in the Confederation's readiness to call into London its 60-man negotiating committee, which was dispersed before the strike began on January 2. If the steelworkers take this step, there is some hope that the drawn-out dispute may be brought to an early conclusion.

In a day of sometimes contradictory developments in the strike, management and men from the private steel company of Hadfield's lobbied ISTC headquarters and British Steel's head office; the independent steel producers called for more rapid and tougher Government action to curb the unions; and steel union leaders told their members not to withdraw safety cover from British Steel plants.

An offer by Hadfield's management to mediate in the dispute was declined by the union, which said it was not prepared to accept a role for Sir Charles Villiers, chairman of British Steel, and as he left the corporation's headquarters, Mr Roland ("Tiny")

Prior move to defuse rising Tory anger

By Fred Emery
Political Editor

In a clear attempt to defuse Tory frustration with the Government's handling of the union reforms, Mr James Prior, Secretary of State for Employment, insisted yesterday that his employment Bill proposals were "strong measures" and urged that they be passed as soon as possible.

But last night, after hearing a delegation of private steel producers complain of their plight to Mrs Margaret Thatcher, Mr Prior made clear that the Government would not be rushed into ill-considered action.

It had to consider the whole situation, not just the particular complaint of steel producers; it had to think of the long term. "We are seeking to make changes which will last this country 15 or 20 years, and put it back into a proper industrial position, where everyone can prosper," Mr Prior said outside 10 Downing Street.

Mr Prior said Mrs Thatcher had promised the steel producers at their one-hour meeting full consideration for their complaints.

New proposals for limiting unions' immunity in taking secondary action were nearly ready, Mr Prior said. But they could not bring redress in the steel strike, Mr Prior added: "I go down on my knees and pray that this dispute is not going to last very long."

Appearing unexpectedly at a morning session of the Committee on the Employment Bill, Mr Prior strongly rejected ideas that his approach was too gradualist, and that the Government was reneging on commitments.

We are taking very strong measures which I think the country fully understands, and I say now quite openly that the proposals would deal with a great deal of the secondary picketing that has been taking place in recent weeks.

Tory frustration over the Government's inability to come to the rescue has been building up since last Friday's House of Lords reversal of the Appeal Court ruling by Lord Denning and his colleagues, which allowed the private steel strike they had prohibited.

Yesterday Mrs Thatcher was imploring at Question Time to ensure that "never again" could such a situation arise, but she could not give that assurance.

Mr Prior yesterday reiterated his promise to introduce an amendment to the committee stage which would limit unions' present legal immunity in cases of secondary industrial action.

Last night it was not clear whether Mr Prior's conservative proposals on the amendment could be produced this week as planned.

At the committee, Labour MPs initially urged that proceedings be adjourned until clarification of the immunity proposals, but they did not push it to a vote.

Mr Prior was as firm in rejecting their criticisms that he was seeking to ride roughshod over traditional union rights.

Mr Prior still seeks to prevent his law changes aborting in a classic test of defiance by the unions.

So far there is no overt sign that Mrs Thatcher and the Cabinet are weakening in their support.



Afghan accord: The Franco-German summit meeting which ended in Paris yesterday produced a complete agreement between President Giscard d'Estaing of France (left) and Herr Helmut Schmidt on the Afghan crisis.

The two leaders, who are pictured during a luncheon after the meeting, warned Russia that if détente between East and West is not to be permanently affected she should withdraw her troops from Afghanistan.

The President and Herr Schmidt emphasized the particular responsibilities of European countries for peace and security, and the determination of their respective governments to assert them. They also expressed determination to achieve progress in the organization of the European Community within the framework of existing institutions and rules.

This assertion was a warning to Britain. President Giscard d'Estaing and Chancellor Schmidt are agreed that Britain's budget demands should be met with firmness. This would not exclude compromise but there would be nothing agreed at the expense of "Community achievements".

Herr Schmidt considers that Britain is not as poor as she makes out and that the latest rise in oil prices will enable her to balance her payments this year.

Full report, page 8

Call to Russia to 'make it possible for everyone to participate'

EEC's attitude hardens over Olympic Games

From Michael Hornsby
Brussels, Feb 5

In a clear hardening of the EEC's attitude towards participation in this summer's Olympic Games in Moscow, foreign ministers of the Nine today called on the Soviet Union to create the conditions in which it will be possible for everyone to participate.

Herr Hans Dietrich Genscher, the West German Foreign Minister, was responsible for the phrasing of this appeal but it was endorsed by Lord Carrington, the Foreign Secretary, and most of the other foreign ministers present.

Even Mr Jean Francois Pöschel, the French Foreign Minister, whose Government up to now has not favoured using the games as a weapon against the Russians, appeared to accept that a boycott could become inevitable if Soviet troops are not withdrawn from Afghanistan.

Until today only Britain and Holland had taken a markedly tough line over participation in the games, though the Italians had indicated they would observe a boycott if it had the blessing of the rest of the Nine.

The need for the EEC to adopt a common position on the games was urged by Signor Arturo Ruffini, the Italian Foreign Minister, and President of the Council, of Ministers.

Lord Carrington agreed that the EEC should take a decision "within a short time".

It looks as if a meeting of EEC foreign ministers in Rome on February 19, at which Lord Carrington will be present, will be crucial in determining the Community's final position on the Olympics. It falls one day before the deadline set by President Carter for his decision on American participation.

At the February 19 meeting the ministers are also expected to examine the implications of the internal exile of Dr Andrei Sakharov and the intensified Soviet persecution of other dissidents, and to pursue plans for continuing discussions of further commercial sanctions against the Soviet Union.

Today Lord Carrington and his colleagues discussed the tightening of regulations governing January banking figures relating to the Soviet Union, and reviewed measures already announced by the European Commission for controlling butter

and beef exports to Russia.

Last week, France and Ireland, and the Commission, gave a strong backing to the Commission's position, as expressed in the votes by the Senate and House, and in the support given to the President by the Olympic Committee.

Considerable encouragement is drawn from the way opinion as things stand, public opinion, as expressed in the votes by the Senate and House, and in the support given to the President by the Olympic Committee.

Three options are available, as Washington sees the situation: cancellation of the games; transfer to a new site; or postponement.

Disident backs boycott, page 16

Kremlin braces Russians for long Afghan stay

From Michael Binyon
Moscow, Feb 5

The Soviet leadership is preparing the Russian people for a long, drawn-out struggle in Afghanistan. In the past two days articles have appeared in the Soviet press detailing the substantial resistance still being offered by the Muslim insurgents, and giving a warning that the Afghan revolution was still in danger.

At the same time Kremlin leaders have tried to reassure a worried population at home that there have been no clashes between Soviet troops and

Afghans, and that the local population is friendly towards the Soviet forces.

In a lengthy analysis of the Afghan situation, the leading point of all Russians, the momentary Pravda today said an undeclared war was going on in Afghanistan. Gangs of interventionists sent from abroad were raiding villages in many provinces, plundering, destroying, burning crops and killing people, especially party activists.

At first it might seem that these are only sporadic, disconnected operations of bandits.

But as time passes it becomes even clearer that the counter-revolution is being master-minded and coordinated by an experienced hand.

Pravda said the rebels consist of feudal elements (supporters of the former king and President Daoud) and tribal chiefs had formed counter-revolutionary organizations in Paktia.

The paper said 30 bases and 50 centres for training counter-revolutionary gangs had been set up there with the help of the American Central Intelligence Agency. From July,

The best course would be postponement. It is argued, because, apart from giving breathing space in which to make alternative arrangements, it would mean the games could still be held in Moscow next year if the Russians withdrew their troops from Afghanistan.

The United States is almost certain to boycott the games as things stand, public opinion, as expressed in the votes by the Senate and House, and in the support given to the President by the Olympic Committee.

Considerable encouragement is drawn from the way opinion as things stand, public opinion, as expressed in the votes by the Senate and House, and in the support given to the President by the Olympic Committee.

Three options are available, as Washington sees the situation: cancellation of the games; transfer to a new site; or postponement.

Disident backs boycott, page 16

Angry driver may have shot former minister

From Ian Murray
Paris, Feb 5

Police investigating the murder last Friday of M Joseph Fontanet, the former Education Minister, are becoming convinced that he was killed after an argument with another motorist.

His last words when he was found fatally wounded in the street outside his flat in north-west Paris, were: "I have been shot by a driver". The shooting occurred shortly after he had driven home and was making a second trip to collect papers from the boot of his car.

As a politician M Fontanet had been very much out of the limelight recently. The police have not totally discounted the possibility that he was assassinated for political reasons, but this seems unlikely, even though responsibility for the killing has been claimed by persons purporting to represent six different groups.

The theory that he was murdered by an infuriated motorist is not as far-fetched as it might seem. On the very night that M Fontanet was shot three other incidents of violence among motorists were reported to police in Paris alone.

One was a simple fist fight between a taxi driver and a policeman. In the second some young men fired 12 shots from their car at another car. The third was when an accountant was shot at by another driver because he had cut in front of his car.

A quick glance through the police records in recent years shows that angry drivers have been responsible for quite a number of deaths.

In June, 1976, one man died and four others were injured in a knife fight that followed a traffic argument in Paris. Two months later another driver died in Paris after being shot.

In February, 1977, a driver was stabbed to death in Nimes. In July of that year another was shot to death in Nice and in October a third man died after a fight in Nancy. In each case an argument about driving started the quarrel.

In September, 1978, the witness of a piece of bad driving was clubbed to death at Sancoins, central France, when he tried to intervene in the ensuing quarrel. In May of the same year a young hitch-hiker was shot dead by a motorist who became enraged when asked to stop.

Although the defence of a "crime passionné" is not available, courts have been known to treat this type of murder with some leniency. In April, 1977, a driver who shot and killed a man who was threatening him over the way he was parked, was given an eight-month suspended sentence.

Police believe the killers could have followed M Fontanet to his home and lain in wait for him when he emerged to collect papers from his car.

Triple murder

Glasgow detectives investigating three deaths at Gartnavel Royal Hospital, said that a man and a woman, both staff, and a young boy were murdered yesterday in the children's unit of the psychiatric hospital.

Four Britons killed by avalanche

By Our Foreign Staff

The winter sports resort of Cervinia in north-west Italy was totally cut off yesterday by two avalanches caused by sudden warm weather. Four British holidaymakers were killed and another Briton was still missing last night. Eight people were injured.

Thirty villages were cut off by snowfalls on the Swiss side of the Alps and the Swiss Federal Institute for Snow and Avalanche Research warned alpine skiers to stay on the slopes, even at lower levels.

The first avalanche to hit Cervinia blocked the only access road and cut telephone lines. The second knocked down houses, damaged a kindergarten, and left a police barracks and partially buried the Miravidi hotel.

Police identified the four dead Britons as: an Andrew Jamieson, aged 40, and his wife Jackie, 32, Linda Carol Driver, 33, and David Pizer, 31, all from London.

Mr and Mrs Jamieson were found dead in a house which had collapsed under a mass of snow reaching as high as 30ft. The other couple were crushed against a wall as they were walking to their hotel.

Rescue teams dug for several hours, under a heavy burden of snow, for the four bodies. The town is isolated and telephone lines are cut. We only get scanty information by radio. There is danger of new snowfalls, said a policeman in St Vincent, 18 miles south of Cervinia.

The Italian authorities joined the Swiss with an avalanche alert covering all the Alps and the Dolomites. The Mont Blanc already closed, the Mont Blanc tunnel and blocked the highway to Austria in the Val Venosta, in Alto Adige region.

At the tailor-made French ski resort of Les Arcs, an avalanche swept away the resort's founder, M Robert Blanc, aged 47, father of four, he created Les Arcs in 1968 and was its sports director.

Fewer pupils aid education cuts

The projected £500m cut in spending on education in England and Wales, from the continuing fall in the numbers of pupils, is expected to drop by an average of 30,000 to 40,000 teaching posts. All the important decisions on education spending for the next four years have now been taken by the Cabinet.

Mellish post criticized

Labour MPs voiced their displeasure in the Commons at the acceptance by Mr Robert Mellish, the party's former chief whip, of the post of deputy chairman designate of the London Docklands Urban Development Corporation. Mr Nigel Brookes, chairman of Trafalgar House Ltd, will be the chairman.

New Soames powers

Lord Soames, Governor of Southern Rhodesia, took new powers to combat increasing political intimidation before this month's general election. He can now restrict public meetings by political parties, suspend people from campaigning and disqualify a party in areas where there is violence or coercion.

Union levy ruling

A trade union member won the right in the High Court for members of his local branch of the Association of Scientific, Technical and Managerial Staffs to pay their political levy to the Conservative Party.

Leader page 15
Letters: On trade unions and the law, from Brigadier P. Court, 15; on abortions, from Miss Valerie Thompson, and others, 15; on the Conservative Party, 15.

Terrorists kill Seveso factory executive

Four terrorists—one of them a woman—killed an executive of the factory which was responsible for the Seveso poison-cloud disaster in July, 1976. Signor Paolo Perotti, shot as he left his home at Monza, was director of production when the Seveso tragedy happened and was arrested twice during the subsequent investigations.

UK industry gloomier

The United Kingdom's manufacturing industry is sliding deeper into recession, the latest Confederation of British Industry's quarterly survey of trends concludes. Of 2,000 companies polled, half reported they were less optimistic than four months ago.

French reprisal: Paris recalls ambassador from Tripoli

Paris recalls its ambassador from Tripoli, accusing Libya of failing to protect embassy in Monday attack.

Truce rejected: China has rejected Vietnam's proposal for a lunar new year border truce

China has rejected Vietnam's proposal for a lunar new year border truce between the two countries as a "trick".

Fibres imports: Britain has been given the go-ahead to introduce measures to curb the inflow of cheap synthetic fibres from the United States by the European Commission

Bahrain: An eight-page Special Report looks at political and economic developments in the emirate since the fall of the Shah in neighbouring Iran.

Classified advertisement: Personal, pages 27, 28; Appointments, 23-25; Property, 26

For England: Cricket: England facing defeat; Test: England's last Test; Sports: Motor racing: Driver with 50,000 sponsors; Arts: page 32; Interview: Morley interviews Glenda Jackson, who opens this month in *Rosie at the Duke of York's Theatre*; Clive Barnes reports from North Carolina on a baller school with a difference; Ned Chaffetz on *A Life at the Old Vic*; Obituaries, page 16; Professor D. V. Thompson, Signor Romolo Valli.

17-22 Features 10, 13, 14
16 Law Report 23
16 Letters 15, 18
16 Sport 11, 12
16 TV & Radio 28
16 Theatres, etc 13
16 25 Years Ago 16
16 Universities 16
16 Weather 16
16 Wills 16

Sharp rise in lending ends hopes of cut in MLR

By John Whitmore

Any lingering hopes of a reduction in the Bank of England's Minimum Lending Rate ahead of the Budget were effectively dashed yesterday by rising figures showing a further sharp rise in private sector loan demand.

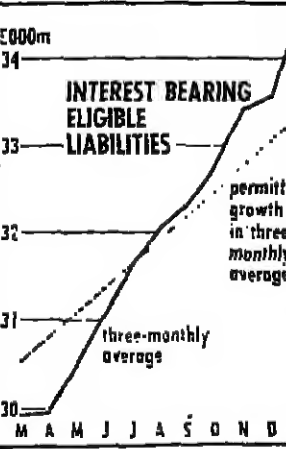
The figures came as a surprise in the City and must be a cause for some concern to the Government. Though the Government still appears to be keeping the main monetary measure, sterling M3, under some semblance of control, it is only managing to do this through the expedient of increasingly large and costly sales of gilt-edged stocks.

The Government has always stressed that its monetary policy needed time to take effect, particularly at a stage in the cycle when the continuing acceleration in price inflation was bound to be increasing the amount of cash companies needed to finance even an unchanged level of stocks.

Even so, the indication that the underlying increase in bank lending may well have been over £1,000m last month is unsettling. The authorities must now be desperately hoping that the January figure represents the last big surge in private sector credit demand.

Certainly, there are at least some grounds for thinking that such hopes could prove to be justified. There are already signs that credit demand from the private sector is starting to ease. In that case, it may well be that industry has been left carrying much larger stocks than it had expected and is temporarily having to finance this higher stock level.

An additional factor last month—the banking month covered the five weeks to January 16—may have been that some companies built up stocks in anticipation of the steel strike. The monetary authorities are treading fairly gingerly, however, in their interpretation of events at this stage. What is clear is that they will need to see several months of substantial improvement in



the trend before they are likely to contemplate a cut in MLR.

Although there had been some hope in the City that MLR might be cut towards the end of February, the general assumption recently has been that the Government would hold back any reduction in MLR until the Budget. The main reasoning behind this has been that the last thing the Government wanted to do was to risk cutting interest rates too early; also that the promise of lower interest rates would be one of the few sweeteners that the Government would be able to offer in what is commonly expected to be a tough Budget.

The main question now could centre on whether or not the Government will be able to hold out the prospect of lower interest rates immediately after the Budget. Indicated sterling M3 growth of about 1 per cent in January still leaves the money supply expanding at a annualized rate rather higher than the present 7.1 per cent target. If the projected Public Sector Borrowing Requirement for the coming financial year is forecast to expand significantly in nominal terms (say to £10,000m or more), then the authorities may still want to hold interest rates high until they have made a start of their new funding

Tables, page 20

Double-glazing? Don't throw character out of the window

With Tudorglass replacement double-glazing you can have beautiful windows that preserve the character of your home. We make leaded light double-glazing using genuine hand-soldered lead to create an authentic 'Tudor look'. We can reproduce that classical 'Georgian look' using all the latest materials and techniques. Plus modern windows of every kind.

Tudorglass can produce double-glazed doors and windows in any shape or style to match your home. Our aluminium frames are coated in an almost indestructible finish, which comes in the colour of your choice and never needs repainting.

Everything we do is guaranteed for 5 years. Send off this coupon today for full colour Tudorglass brochure, including free survey and credit details.

Tudorglass
LONDON, WESTON, NOTTINGHAM, FRESHIRE.

To Tudorglass, Dept. TT,
FREEPOST, Hounslow, TW4 4BR. Tel: 01-572 2822.
Please send me full details of your unique range of double-glazed windows and doors.

Name _____
Address _____
Tel No: _____

Mrs Thatcher stands firm on limits set on steel funds despite torrent of bitter abuse

Corby strikers tighten their belts

ers tighten their belts

their belts

Safety men split over withdrawal

Devastating damage if safety men come out

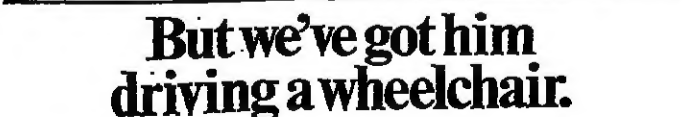
Fewer pupils account for main part of £500m education cut

Expenditure is then intended to fall by £100m to £200m a year, reaching about £7,500m in 1993.

be announced after the completion of the current triennial review, probably in April.

Stockholder accuses ISTC of blackmail

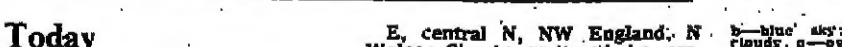
Colin Lewis is incurable.



Draftsmen in trouble over trade union immunities

Union decision likely today on RL dismissal

Weather forecast and recordings



b—blue; sky; b—half clouded; c—clouds; o—overcast; f—fog; d—drizzle;

Rising clamour in City over Prior Bill

Greece Dr 40; Holland G 1.00;
 Italy 110; Iraq ID 0.450;
 Republic 20p; Italy L 900; Jordan
 0.575; Kuwait KD 0.800; Lebanon
 4.00; Luxembourg Lf 23; Madagascar
 35; Malta 20c; Morocco Dir
 Norway Kr 5.00; Oman OR 0.0
 Pakistan Rps 4.00; Portugal Esc
 Qatar QR 6.00; Saudi Arabia SR

F
 50
 78
 10
 60
 55
 45
 19
 57
 38
 39
 39

LS 4.50: Tunista Din 6.35: U
 Canada \$1.30: UAE Dh 6.50:
 Alvinia Din. 30:

Published daily except Sundays, January 1,
 beer 25 and 26, Good Friday and May Day by
 Newspapers Limited, London WC1X 9EZ. Sub-
 scription 35p per year by Air Freight then 25p
 Postage, paid at New York, Toronto, New
 South Britain Inc. 301 East 42nd Street, New
 York 10017, Telephone NY 212-996-9230.



SOMETIMES MDs FIND IT DIFFICULT TO LOOK AHEAD.

When you're the managing director of a successful company it's very tempting to just let things drift along in the same old way. After all, the company is doing very nicely, isn't it?

The thing is, could it be doing better? Burying your head in the sand won't make the missed business opportunities disappear.

Perhaps, therefore, a re-evaluation of your company might be worthwhile.

That's where your local NatWest manager might help. He can provide you with an unbiased and slightly wider view of your whole situation. If, between you, you decide that there may be some room for improvement in your business, he can put all the resources of

the NatWest Bank Group at your disposal.

And these resources are considerable, ranging from leasing, factoring, salary payments and computer services to business development loans, export finance, merchant banking, insurance broking and many other services that you may not expect from a bank.

On the export finance side alone such things as documentary credits, discounting of bills, and foreign exchange and insurance can be made available.

If you're interested just get in touch with your local NatWest manager. You never know, with his help, you might see a lot of possibilities that you've never seen before.

NatWest
THE BANK THAT MEANS BUSINESS.

HOME NEWS

Branch can pay political levy to Conservative Party but union can refuse payment to branch

By Frances Gibb

A trade union member won the right in the High Court yesterday for members of his local branch to pay their political levy to the Conservative Party, although their union is affiliated to the Labour Party.

Mr Ernest Parkin, a senior technologist at Kodak Ltd. of Harrow, sued his union, the 450,000-member Association of Scientific, Technical and Managerial Staffs, for a declaration that the union's affiliation to the Labour Party could not of itself limit the use to which political funds might be put.

The union had refused to pay over the money to which the branch was entitled, namely one third of the total political levy contributed by that branch, because the branch had resolved that it should go to the Conservative Party.

The union had given its reason a circular dated March, 1976, signed by Mr Clive Jenkins, its general secretary. In that Mr Jenkins had said: "Political fund money could not be used in support of parties other than the Labour Party."

The union's annual delegate conference had decided in 1970 to affiliate to the Labour Party and it was a condition of affiliation that affiliates should not at the same time support a rival party.

Mr Justice Woolf said he had looked at the Labour Party's constitution and standing orders as amended by the annual conference in 1977. He added: "I can see nothing in that constitution which supports Mr Jenkins's view that an affiliate might not at the same time support a rival electoral party."

Afterwards Mr Parkin said the way was now open for other branches supporting the Con-

servative Party to take similar action. He added: "The union virtually ignores that a majority of the members in certain branches would always vote Conservative or Liberal."

"It tries to impose on its members the left-wing and Marxist policies of people at the top, who are unrepresentative of the union as a whole."

The case was a big step towards democratising the union.

On the relationship between a branch and the union, Mr Justice Woolf said he could not see that the fact that the union's rules expressly made the annual conference the supreme body, and gave considerable powers to the executive, enabled the executive to say a branch was debarred from using its political levy as it wished.

To say a branch was limited in that way was inconsistent with the local autonomy the branch was intended to have as set out in the union's rules. He emphasized that his ruling did not mean that the union could not prevent a branch making a contribution in the future. It might be open to the union to change its rules.

On the other declaration sought by Mr Parkin, that the union be ordered to hand over the appropriate portion of the levy, the judge ruled in favour of the union.

The purposes for which the money was requested, as outlined in the resolution of the branch, were not political objects as defined in the union's rules, in turn drawn from the Trade Union Act, 1913, the judge said.

The purposes were: to promote a better understanding of the policies and aims of Conservative trade unionists within the

union and to ensure the cooperation and help of Conservative trade union MPs who are not at present allowed to be represented on the union's Parliamentary committee.

The judge ruled that while the first part of the resolution could be taken to fall within the meaning of the Act and the union's rules, the second part could not.

He added: "I consider the union is right in saying that it does not fall within the limited political objects in the Act and the union's rules, the second part could not."

He added: "I consider the union is right in saying that it does not fall within the limited political objects in the Act and the union's rules, the second part could not."

On that basis it would be wrong, he said, to order payment to be made. He ordered each side to pay its costs and gave both leave to appeal against the respective judgments.

ASTMS said it could not comment until the ruling had been studied in detail. It might make a statement today.

Mr Clive Jenkins said that the union would appeal against the ruling, and would also consider changing its rules if that proved necessary.

"This is another piece of eccentric judicial intervention. We expect to have it set aside because it flies in the face of history and common sense," he said. No money would go from the union to the Conservative Party. He denied that the elected officers of the union did not represent the membership. "I have only ever heard of two tiny branches in the association which are sympathetic to the Conservative Party. Who can be sympathetic to them these days?"

Law Report, page 23



M Jean-Marc Boivin, of France, an Alpine guide and winner of the 1980 International Award for Valour in Sport, being congratulated by his wife at Guildhall, London, yesterday (Report, page 11).

Minority dictating on abortions, MP says

By Annabel Ferriman

A vociferous minority opposed to abortion is trying to dictate to the majority in the country what the law should be, Mr David Steel, leader of the Liberal Party and sponsor of the Abortion Act, 1967, told a rally in London yesterday.

He said he appreciated that many people had the sincerely held view that abortion was wrong. But the law did not require anyone to have an abortion, and those opposed to abortion should not try to impose their views on others.

Before the 1967 Act, estimates of illegal abortion varied from 40,000 to 200,000, although safe abortion was available to the rich in private clinics. Since the Act, illegal and dangerous abortions had almost disappeared.

Supporters of the Abortion (Amendment) Bill were going to bring back the dark days of back street abortion butchery, he said. Opponents of the Bill were not in favour of abortion, but recognized that it was sometimes necessary.

Mr Steel was speaking at a rally in Central Hall, Westminster, organized by the south-east region of the TUC and the National Abortion Campaign to oppose the Bill, sponsored by Mr John Corrie, Conservative MP for Ayrshire North and

Bute, which aims to make abortion harder to obtain. It is to be debated in the House of Commons on Friday.

Dr John Marks, of the British Medical Association, told the rally that medical opinion had completely changed with regard to abortion over the past 13 years. When the abortion Act first came in, many doctors were opposed to the social clause, but now most thought that any change necessary could be made by regulations rather than a new Act.

The medical profession had changed its mind because it had seen the benefits that had flowed from the Act. Septic abortion had all but disappeared, he said.

Mrs Diane Munday, of the British Pregnancy Advisory Service, said that the Bill would destroy the abortion charities. She claimed that the supporters of the Corrie Bill opposed the charities because they had done away with scandalous stories that used to surround the subject of abortion.

She said that they could only win the majority on their side if they could get women who were being exploited by money-hungry doctors. The charities had destroyed those stories, and therefore lost their support.

Leading article, page 15

Abortion argument, page 10

Blunt spying cover-up 'accidental'

By Nicholas Timmins

There was no political cover-up over the confession in 1964 by Professor Anthony Blunt that he had been a spy for the Russians, Mr Andrew Boyle, author of the book *The Climax of Treason*, which led to Professor Blunt's public unmasking, said yesterday.

If there was a cover-up it was not political, Mr Boyle told a meeting of the Media Society in London. "It was more like a purely buffoonish MIS accidental cover-up that was less than wise."

Lord Home of the Ilchester's memory was not at fault when he said he had not been told of the confession when he was Prime Minister in 1964. Nor was Sir Harold Wilson told until 1967.

Mr Boyle said that when the Profumo affair was revealed, the Prime Minister, Mr Harold Macmillan, "took it very, very seriously on MIS, too severely" because of "his own personal hang-ups" about Profumo's "bedroom behaviour".

Until then MIS had some "extraordinary good things to its credit". Vassall, Lonsdale and the Portland spy ring, but after the Profumo affair MIS took the position that a low profile was necessary.

When Professor Blunt confessed, Sir Roger Hollis, then head of MIS, did not tell Lord Home. He did tell the Attorney General, Sir John Hobson (and Mrs Thatcher has said that the Home Secretary, then Mr Henry Brooke, was also told).

It was put to Sir John that the matter was not one of singular importance, but "it was also put to him that it was a matter that should not be brought to the Prime Minister's attention."

A general election came soon afterwards, and Sir Henry Wilson was certain not to tell. Sir Harold was told in 1967, in his second term, but there were ways and means of telling someone, Mr Boyle said.

Mr Boyle said that Sir Frederick, now Lord, Elwyn-Jones, the Attorney General in the 1960s, "did not know at all during his two terms, although he was the first man who should have been told."

Mr Boyle said he did not believe that Mr Guy Liddell, former deputy director of MI5, was a Soviet agent. Mr Boyle recently published an interview with Mr Goranwy Rens, given just before his death, in which he suggested that there were links between Professor Blunt, Guy Burgess and Mr Liddell.

Mr Liddell was "supremely careless," Mr Boyle added, but "I do not think he was a Soviet agent at all."

London Transport told to make proposals for savings

By Christopher Warman
Local Government Correspondent

London Transport, accused of extravagance and waste, has been given two months by the Greater London Council to put forward proposals for improving efficiency and saving money.

The decision was taken by the council's policy and resources committee when it met yesterday to discuss a report by a firm of independent auditors, Deloitte, Haskins and Sells, into allegations made by Mr Leslie Chapman, a former civil servant and now part-time member of the London Transport Board.

Mr Chapman had complained of disgraceful waste in the number of chauffeur-driven limousines and the cost of catering and had suggested that savings of between £25m and £50m could be made.

A report to the council recommending the submission of proposals within two months for which it had statutory duty. "It is quite clear to me that the differences between Mr Chapman and the LT Executive are mainly of quantity and degree; but equally clearly there is sufficient evidence to demonstrate that the executive have a substantial managerial job to do very quickly indeed."

The auditors' report supports many of Mr Chapman's statistics, but shows that some of the figures were exaggerated. Deloitte, Haskins and Sells do not, however, agree with some of his conclusions, particularly where they have compared costs with those for other nationalised industries.

They found that the cost of meals was "not disgraceful, if compared with the nationalised industries is appropriate". On spending on cars and catering and the size of offices, they say "The expenditure does not amount to conspicuous waste, although the number of chauffeurs" may well be uneconomical.

The executive accepted that London Transport was too bureaucratic and that there had been considerable increases in supervisory and management grades, but the auditors said it is not possible to confirm the allegation that the numbers had grown unreasonably.

Regarding the charge of complacency, the report concludes: "It cannot be said that most of the LT managers are complacent. The executive and a considerable number of managers are actively seeking reorganization."

Mr Andrew McIntosh, Labour transport spokesman, told the committee yesterday that he was bitterly disappointed by Mr Chapman's allegations. "He concentrated almost entirely on trivia."

There was no real detail about how £25m-£50m could be saved, Mr McIntosh said. A saving of £25m on staff would mean a reduction of 5 per cent or 3,000 employees. Sir Reg Goodwin, leader of the Labour opposition, said he doubted whether the report would help London Transport in their search for savings.

erally. The issue is considered to be of some delicacy, as there remains a need for officers exercising a quasi-judicial function in a without any political pressure.

But the DPP is responsible to the Attorney General, who is a member of the Government and accountable to Parliament in his political role on matters of public interest.

Sir Thomas Betherington has given interviews to newspapers about the way he operates, and made a statement justifying his decision to prosecute in the case of Mr Jeremy Thorpe, who was acquitted.

The provision of written evidence by Sir Thomas extends the scope of the select committee further than the Government originally intended. When the committee was set up it was proposed that its terms of reference should cover the work of both the Home Office and the Law Officers' department. But the Government then re-oriented it to covering only Home Office affairs.

Mr Michael Member, Labour MP for Oldham, West, who raised in the Commons the question of deaths in police custody, said on Sunday that for the committee not to be given access to the DPP would be "like playing Hamlet without the ghost."

When Sir Graham Page first wrote to the Attorney General asking for the committee to be allowed to interview Sir Thomas, he was refused permission. Last Thursday Mr Norman St John-Stevas, Leader of the House, said that the Law Officers' department was not subject to the new select committee.

The committee has changed its mind about the hearing of evidence. A press note said the committee office said originally that the committee would hold one meeting to take evidence on deaths in police custody.

But now the Coroners' Society has agreed to give evidence on February 14. There is also likely to be evidence from police.

The strongest possibility is that it will be given by one or more of the bodies representing policemen. With growing awareness of the extent of public concern, the scope of the inquiry is widening beyond what was first expected.

Post Office deadlock on worker directors

By David Felton
Labour Reporter

Negotiations between the Post Office and unions to decide on a new form of industrial democracy within the corporation have broken down, with the unions restating to the Government their demands for seats on the main board.

The two-year experiment, with worker-directors sitting on the Post Office board, came to an end in December after Sir William Barlow, chairman of the corporation, had insisted that the system had proved unworkable.

In its place Sir William wanted to establish two policy councils that would mirror the reorganized boards when the Post Office is split into telecommunications and postal businesses.

Since the Government announced that the experiment was ending, negotiations have been going on with union leaders who rejected the proposed policy councils.

A further meeting between the two sides was due to be held last week, but was called off because there was little prospect of progress being made.

The Council of Post Office Unions has now written to Mr Adam Butler, Minister of State at the Department of Industry, setting out the unions' position.

Sir William has also written to the Government setting out his strong objections to having union representatives on the board, which, he argues, hampered and delayed policy-making. He was so determined to

end the experiment that he threatened to resign if the Government did not agree.

The unions were not completely happy with the experiment. They felt that the board was being used as a rubber stamp for decisions already taken. They want any new scheme to be "genuine industrial democracy."

While maintaining their negotiating stance of seeking main board seats, union officials privately accept that Sir William will be backed by Sir Keith Joseph, Secretary of State for Industry. As a compromise, they believe that there is scope for union involvement at a level between the main board and the proposed policy councils.

A prime union objective is for their representatives to have access to all relevant documents before any decision is taken and to be in a position to influence policy-making.

Sir William's objection to union participation at the highest level is that too much time is taken up by discussions on questions of pay and conditions of work, which should more properly be dealt with during pay negotiations.

Both sides are waiting for an initiative from the Government. Union officials believe ministers want to see some workable form of industrial democracy introduced at the Post Office as soon as possible.

The difficulty facing them is that they have stated publicly that management of the Post Office must be left in the hands of Sir William and his colleagues and that they do not want to interfere.

Government 'should protect NHS and social services'

By Our Social Services Correspondent

The Government should abolish the Christmas bonus for pensioners and use the money to protect the social services, Mr Hugh Mellor, director of the National Corporation for the Care of Old People, said in London yesterday.

There should also be a further education cut to save "the wretched National Health Service".

Mr Mellor told the "Ageing in the 1980s" conference, sponsored by Age Concern, that the Government should be saving money on housing to maintain at least present levels of health and social services; but "even that is not being achieved" as the recent public expenditure White Paper showed.

Mr Mellor added: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

A more difficult way would be to apply a fractionally larger cut to education, since the child population was falling. The health service, which needed more money simply to cope with population changes, could then be saved.

The cuts being applied in the social services were a tragic waste, particularly the closing of old people's homes that provided emergency services. The moral and emotional climate that led to the welfare state being established should be re-created.

All parties should accept that there were certain minimum standards in social services that would be maintained in all circumstances, including the "economic stop-go" from which they had suffered for many years.

Mr Mellor said: "We do not cut down on the disposal of the dead. We still stick to a minimum subsistence level for supplementary benefits, although I know that some might challenge that statement. Civilized society should not be prepared to leave any of its members unwillingly in a state of alleviable misery."

Student finance made more accountable

By Our Education Correspondent

A fundamental change in the financing of student unions at universities and colleges from September next year was announced by Mr Mark Carlisle, QC, Secretary of State for Education and Science, in the House of Commons yesterday.

The change was intended to make the present open-ended system of student union financing more accountable, he said. Public expenditure on student unions rose from £3m to £13m between 1970 and 1976.

Instead of student union fees being paid through the student award system, they will be financed directly through the University Grants Committee in the case of universities and through the local education authorities in the case of polytechnics and other maintained colleges.

The student union fee under the present system is an automatic part of the mandatory student award paid to nearly all students on advanced courses, normally is paid directly to the student's college.

There is no means by which central or local government can control the level of the student union fee, which is determined by each university or college and which ranges from 50p to more than £50 a

year, depending on the variety and extent of the activities undertaken by the student union.

Some unions have been accused of spending public funds on suspect political activities such as sending buses of supporters to the Grunwick picket line. The Commons Public Accounts Committee has criticized the lack of accountability of union financing.

Mr Carlisle said yesterday that the total amount of money for student unions in 1981/82, the first year of the new system, would be the same as that which would have been made available through the existing arrangements.

He gave no undertaking about levels of funding in future years when union financing will be absorbed within the university recurrent grant.

He hoped, however, that "within the requirements of these new arrangements institutions will continue to afford their unions freedom in the management of their affairs."

Mr Trevor Phillips, president of the National Union of Students welcomed the recognition of the right of students to decide how to spend their money, but said there would have to be further negotiations if internal conflicts between student unions and colleges were to be avoided.

Cooling time for tensions at Stormont

From Christopher Thomas Belfast

The political temperature at the Ulster constitutional conference was allowed to cool yesterday as delegates left Stormont in silence for a two-week respite. But the official news clampdown barely concealed the tensions still bedeviling the prospects for progress.

All that was achieved yesterday was an agreement to meet on two extra days this month, which was announced with a simultaneous denial from the Northern Ireland Office that there was any pressure from Downing Street to speed matters.

There was further discussion yesterday of the Social Democratic and Labour Party's position on what is called "the modus operandi of a future Administration", a phrase ceasing the true nature of the subject under discussion, that of power sharing.

Mr Humphrey Atkins, Secretary of State for Northern Ireland, is keeping Mrs Margaret Thatcher informed of developments, but so far there has been no report before the Cabinet; indeed, Northern Ireland matters are rarely referred to the entire Cabinet but go instead to a nucleus of relevant senior ministers.

The battle lines have clearly been drawn and the conference remains in acute difficulties, with no obvious hope of closing the gap between the SDLP and the Democratic Unionists over power sharing.

The essential question is whether the SDLP should have a right of representation at executive level in a devolved Administration.

The Rev Ian Paisley, leader of the Democratic Unionists, says flatly that he will not work with such a system, even if it was approved by referendum.

The SDLP says that without such protection it would prefer Westminster not to hand back powers to the local councils.

Mr Paisley was in Scotland yesterday and the DUP delegates would break the silence over the party's response to the SDLP's position. Delegates of the three participating parties have until February 27 to reassess their positions.

London Transport told to make proposals for savings

By Christopher Warman
Local Government Correspondent

London Transport, accused of extravagance and waste, has been given two months by the Greater London Council to put forward proposals for improving efficiency and saving money.

The decision was taken by the council's policy and resources committee when it met yesterday to discuss a report by a firm of independent auditors, Deloitte, Haskins and Sells, into allegations made by Mr Leslie Chapman, a former civil servant and now part-time member of the London Transport Board.

Mr Chapman had complained of disgraceful waste in the number of chauffeur-driven limousines and the cost of catering and had suggested that savings of between £25m and £50m could be made.

A report to the council recommending the submission of proposals within two months for which it had statutory duty. "It is quite clear to me that the differences between Mr Chapman and the LT Executive are mainly of quantity and degree; but equally clearly there is sufficient evidence to demonstrate that the executive have a substantial managerial job to do very quickly indeed."

The auditors' report supports many of Mr Chapman's statistics, but shows that some of the figures were exaggerated. Deloitte, Haskins and Sells do not, however, agree with some of his conclusions, particularly where they have compared costs with those for other nationalised industries.

They found that the cost of meals was "not disgraceful, if compared with the nationalised industries is appropriate". On spending on cars and catering and the size of offices, they say "The expenditure does not amount to conspicuous waste, although the number of chauffeurs" may well be uneconomical.

The executive accepted that London Transport was too bureaucratic and that there had been considerable increases in supervisory and management grades, but the auditors said it is not possible to confirm the allegation that the numbers had grown unreasonably.

Regarding the charge of complacency, the report concludes: "It cannot be said that most of the LT managers are complacent. The executive and a considerable number of managers are actively seeking reorganization."

Mr Andrew McIntosh, Labour transport spokesman, told the committee yesterday that he was bitterly disappointed by Mr Chapman's allegations. "He concentrated almost entirely on trivia."

There was no real detail about how £25m-£50m could be saved, Mr McIntosh said. A saving of £25m on staff would mean a reduction of 5 per cent or 3,000 employees. Sir Reg Goodwin, leader of the Labour opposition, said he doubted whether the report would help London Transport in their search for savings.

Eton boarding fees rise to £1,050 a term

By Our Education Correspondent

Boarding fees at Eton have gone up by nearly a quarter, from £850 to £1,050 a term, or £3,150 a year. Another big increase is likely in September, when teachers' salaries are expected to go up substantially as a result of the Clegg commission's report. Eton is one of the five most expensive schools in Britain.

An article by a pupil in the latest issue of the school magazine suggests that a differential fee based on a means test of parental income might be introduced to help less affluent parents. However, Mr Michael McCrum, the Provost, said yesterday that he was not in favour of that.

The main reason for the higher fees was the rise in the oil price and the 25 per cent increase in masters' salaries last September after two years of "scrupulous adherence" to the Government's pay guidelines, Mr McCrum said.

The school had taken several steps to reduce its costs, he said. The letting of boys' houses during the summer holidays is bringing in about £30,000 a year. Changing the oil-fired heating system to gas is expected to cut the £250,000 annual fuel bill by £100,000.

Hidden costs 'ignored' in Stansted choice

By Our Planning Reporter

The choice of Stansted as London's third airport ignored the hidden costs of urbanization in the wrong place, speakers at a seminar organized by the Royal Town Planning Institute said yesterday.

Mr Derek Senior, a member of the council of the Town and Country Planning Association, pointed out that not only would the loss of agricultural land be much greater at Stansted than at Mapplethorpe, but far more would have to be spent on housing, roads, schools and infrastructure. Some 70,000 extra homes would be needed in the Stansted area, compared with 40,000 at Mapplethorpe.

It had been estimated that about 44,000 people in south-east Essex would commute to jobs elsewhere would prefer to be employed locally. But only 14,000 people would hope to find jobs in Stansted.

Unemployment in south-east Essex was about 5 per cent, well above the average for south-east England so there was a large pool of available labour already housed in the Mapplethorpe area. Stansted would need to recruit much of its work force from outside.

The loss of agricultural land at Mapplethorpe would be only 2,000 hectares, compared with more than 6,000 hectares at Stansted.

Another rise is forecast for BR rail fares



We must admit, we copy them from Boeing

The unusual machines you see above are Redifon flight simulators. More accurately, they're Redifon flight simulators for the entire family of Boeing airliners for the 1980's.

When complete, they'll each provide an exact copy of the flying characteristics of the aircraft they represent.

Before you get the wrong idea, we should explain that Boeing asked us to build them.

So complex is the operation of modern airliners that simulators like these are a vital part of today's flight training programmes.

As flight training is an important part of the service Boeing offer their customers, it's an activity they take just as seriously as building aircraft.

That's why they're currently establishing one of the world's most advanced flight training centres at their headquarters in Seattle.

And why they've recently awarded Redifon the biggest order ever placed for civil flight simulation equipment.

An order that, over the next three years, involves building simulators for existing airliners as well as for the new generation Boeing 757 and 767 types.

If that sounds demanding to you, it certainly did to Boeing.

So demanding, that before selecting Redifon, they undertook one of the most exhaustive technical evaluations in the history of simulation.

However, Boeing aren't the only ones who demand technical superiority.

As the largest manufacturing subsidiary of the international Rediffusion Group, in the past 30 years we've built 300 equipments for 74 airline and military customers.

In total we've simulated almost 70 different aircraft types and as 80% of our production goes for export, we've earned hundreds of millions of pounds for Britain.

At the same time we've advanced the varied technologies of simulation to a level that makes training in aircraft a redundant exercise—economically, socially and in terms of flight safety.

All this makes Redifon emphatically a world leader in a very competitive business.

If you would like to know more about our world of simulation, please contact our Public Relations Department. We'll be happy to send you further information.

REDIFFUSION redifon SIMULATION

Redifon Simulation Limited, Gatwick Road, Crawley, Sussex RH10 2RL England Telephone Crawley (0293) 28811 Telex 87327
Redifon Simulation is a member of the worldwide Rediffusion television, communications, electronics and music group.

HOME NEWS

Group fails to get ban on nuclear fuels action lifted

By Trevor Fishlock

Greenpeace, the environmental action group, yesterday challenged a High Court order which prevents its members from attempting to stop ships unloading spent nuclear fuels, but failed to get the injunction lifted.

The group believes that shipment and unloading of nuclear matter in populated areas is hazardous.

Some of its members wanted to stop the unloading of 40 tons of nuclear waste from the ship Pacific Swan, owned by British Nuclear Fuels Ltd, which docked at Barrow-in-Furness, Cumbria last month.

But on January 24 the British Transport Docks Board obtained an injunction preventing Greenpeace members from causing or encouraging any physical obstruction which might impede the free movement of vessels in or out of Barrow.

The board successfully resisted an application by Greenpeace to Mr Justice Lloyd to lift the injunction yesterday, saying that the hearing should be in public.

The board said afterwards that one of the reasons it wanted the hearing held in private was that it did not want Greenpeace to gain publicity. Greenpeace group was ordered to pay the board's costs.

Three Greenpeace representatives, Mr Peter Wilkinson, Mr

Allan Thornton and Mr David McTaggart, refused to give an undertaking not to take physical action to prevent the unloading of nuclear waste cargoes.

Mr Wilkinson said afterwards: "We have no intention of using violent action. It is our intention to use peaceful means, but the injunction really prevents us from doing anything other than standing on the dockside silently holding our banners."

"I have been advised that it would be illegal for me to speak to dock workers warning them of the danger and asking them not to unload."

"Our freedom of speech has been restricted. We cannot lobby or take direct action. That is why we refused to give the undertaking to the judge; the issue is too important for us to bow to an injunction."

Greenpeace sent its small ship, Rainbow Warrior, to Cherbourg last month in the hope that it would be able to prevent the Pacific Swan unloading there, but the Pacific Swan went on to Barrow-in-Furness.

The authorities in Cherbourg ordered the Rainbow Warrior to leave the harbour yesterday. Mr Wilkinson said: "The ship will be withdrawn while we consider our plans."

"Another shipment of spent nuclear fuel is on its way to Barrow. We will want to take peaceful action

Sir Derek Rayner leads statistical services' review Cabinet war on Whitehall waste

By Peter Hennessy

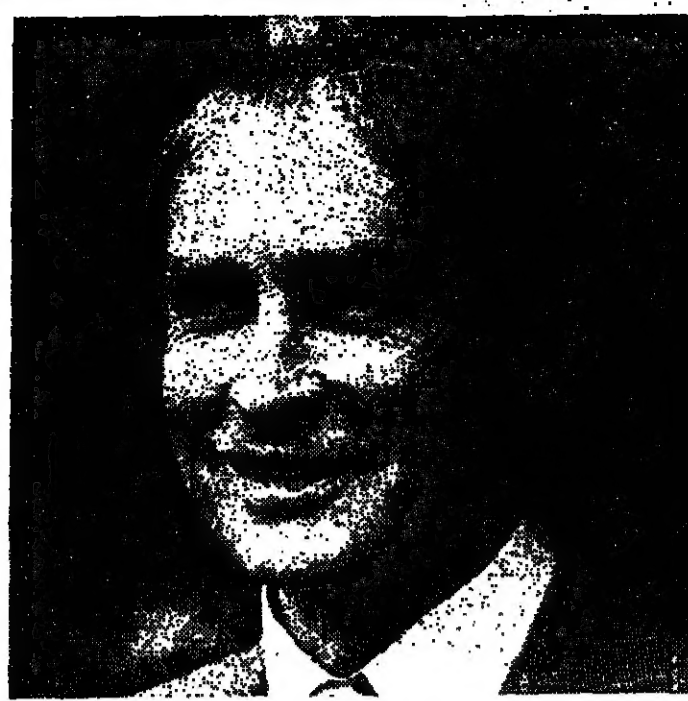
The Government has commissioned a review of Whitehall's statistical services. It is to be undertaken by Sir Derek Rayner, the Prime Minister's adviser on the elimination of waste.

It will concentrate on what the 562 statisticians and 5,775 support staff in the Government Statistical Service do in the departments they serve and whether their customers get value for money. An official will be appointed by each department to carry out the review on Sir Derek's behalf under his supervision.

As with every "Rayner scrutiny programme", as they are described, the first question to be asked of each example of statistical provision will be: "Is this work really necessary?" Each departmental examination will cover:

(1) The total cost of the statistical services; (2) the costs and benefits of individual examples; (3) areas where figures should be available but are not; (4) areas where the demand for statistics could be eliminated or reduced; (5) reduction of costs through more efficient working practices; and (6) an identification of these services' consumers.

The largest concentrations of statistical work are Customs and Excise (eight statisticians, 1,100 support staff); Business Statistics Office (19 statisticians, 1,000 support staff); Office of Population Censuses and Surveys (31 statisticians, 900 support staff); Depart-



Mr John Boreham: "Very pleased about inquiry."

ment of the Environment (68 statisticians, 350 support staff); Department of Employment group (38 statisticians, 300 support staff) and Department of Health and Social Security (37 statisticians, 250 support staff). The review will also encompass the Central Statistical Office of the Cabinet Office, which employs 74 statisticians and 170 support staff. Mr John Boreham, Director of the office and head of the Government Statistical Service, said yesterday: "I welcome the inquiry because I think it extremely important that the Government is confident that it has a relevant, effective and economic statistical service."

BBC must give a good service and live within its means, staff told

By Kenneth Gosling

On the day that the Government is to announce details of its Broadcasting Bill, Mr Ian Trethowan, director-general of the BBC, today sets out to the corporation's 10,000 employees the requirements for an efficient operation over the next decade.

He writes in the staff journal, *Ariel*, that the aim of the BBC's continued re-examination of its domestic operation over the next few weeks will be "to ensure that we can continue to sustain the kind of television and radio services that the licence payer expects, yet live within our means". He does not rule out redundancies.

Mr Trethowan says that with a £34 licence the BBC will be able to spend £1,000m on the domestic services over the next two years; "even in these inflationary times that is a lot of money".

But allowing about 15 per cent a year for inflation, the BBC wanted to spend a further £100m, so planned expenditure was having to be cut by at least the amount it had asked for a £40 licence and got £34 for the next two financial years, which was the biggest increase in its history.

It might have been possible to carry on without many cuts if it were not for pay; even before any negotiated general increase, outstanding awards and claims would take a slice of the available money.

The first priority was to reinforce television networks. Within three years the second commercial channel was due, and many more commercial radio stations, and within only a few more years they would be feeling the growing effect of a whole range of technological developments, Mr Trethowan said.

"By the end of this decade broadcasting will be very different and the BBC's share of it will be markedly smaller. If we are to hold our distinctive place in society, therefore, we must recognise that the decisions we take now could affect the whole future of the BBC's services to the public."

"I know that uncertainty is bad for morale, but wrong decisions now could in due course bring irreparable damage to the BBC and to the interests of its staff."

Remembering that they had "a billion pounds" to spend, the cuts, though painful, should

be seen in perspective; and a considerable slice could be found by dropping a number of new developments planned for the next two years, Mr Trethowan said.

"But we do not believe we should forgo all developments, or simply opt for a policy of equality of misery. That would be a recipe for stagnation. A creative organization had to have the flexibility to grow in areas of promise even if it meant cutting somewhere else."

Expenditure over the past two years was: 1978-79, £324m; 1979-80, £406m. Over the next two years it would be: 1980-81, £475m; 1981-82, £535m. Redundancies could not be ruled out, but they knew that at any one time there were hundreds of vacant posts and that each year staff turnover averaged 3,000. Every effort would be made to save posts by natural wastage.

Referring to newspaper reports and internal rumours about staff cuts, he was not specific about the kind of broadcasting areas that might be affected by the cuts, but said in the radio services, including daytime restrictions on Radio 3, had been reported, but none has been confirmed.

Canister fumes affect seven

A renewed warning was issued yesterday about the danger of fumes from poison canisters being washed on to south coast beaches, after two policemen and five Southern Water Authority employees were treated in hospital.

The seven men were later discharged. All had been affected by fumes, although they were some distance from a canister washed up on the beach at Shoreham-by-Sea, West Sussex. The canister was split down the seam.

As more canisters from the sunken Greek freighter Aeolian Sky were washed up on Sussex beaches, the public were warned not to approach them.

On the Isle of Wight, where hundreds of chemical canisters have been washed ashore, firemen dealt yesterday with four more cases.

'World's biggest bankrupt' gets £2,000 for libel

Mr William Stern, a former property developer and £106m bankrupt, was awarded £2,000 libel damages in the High Court yesterday.

Mr Stern, aged 44, of Westbeath Avenue, Golders Green, London, whose family financed his claim, said afterwards that the money would go to his creditors.

He sued Mr Jacques Beauprez, a chartered accountant, for an attack on his honesty and integrity. Mr Beauprez was said to have written letters accusing Mr Stern of trying to buy back the assets of one of his liquidated companies at artificially low prices "and in a secretive and underhand way."

Mr Stern, who admitted during the hearing that he was probably "the world's biggest bankrupt", claimed that his reputation was his only remaining asset.

Mr Beauprez, of Sheen Court, Upper Richmond Road, Richmond, represented himself. As he left the court he said: "It is the end of a nightmare. He will have to pay costs, which are officially estimated at £12,000, in addition to the damages."

Mr Beauprez gave an undertaking to obey an injunction restraining him from repeating the libel. Mr Justice Cantley said: "You have got to get rid of this obsession."

Car micro-processors 'a mixed blessing'

By Peter Waymark

The increasing use of micro-processors in cars could prove a mixed blessing for motorists unless manufacturers were prepared to rationalize their designs, Mr Olaf Lambert, director-general of the Automobile Association, said yesterday.

While the new electronic technology would probably result in cars that were quieter, more economical and more reliable, it could also make repairs more difficult to carry out in the event of breakdown, Mr Lambert said.

Today a motorist with ignition trouble had simply to stop at a garage and after a few straightforward checks he could be on his way again. But with micro-chip technology the circuit board and sharp pair of eyes would be replaced by complex and expensive equipment.

Micro-processors were not repairable, but were "throw away" items. They were soldered to the board with intricate circuits, and failure of any one component would mean replacing the module, which was likely to be expensive. Unfortunately there were no signs of standardization among

car manufacturers and it seemed likely that manufacturers would "personalize" the vital connecting sockets, making it impossible for one franchise dealer to diagnose faults on cars of another make, Mr Lambert said.

That would tie the motorist to dealers specializing in his make of car, and little could be done at any other garage or on the roadside, apart from repairs to such items as hoses and drive belts.

If manufacturers did not standardize the main connecting sockets, garages could be faced with having to invest in separate diagnostic machines for several makes of car. For the small garage that would be impossible and the expense involved could lead to garage closures.

Mr Lambert said that unless a common form of diagnosis, applicable to all cars, was found, "we could see the beginnings of an ever-growing queue of immobile vehicles awaiting service at a diminishing number of garages."

The American garage trade was already experiencing some of the new technology difficulties. Half the parts returned to manufacturers as defective had been replaced because of mistaken diagnosis, a result of design technology outstripping service know-how.

Right of police to make spot checks on drivers upheld

The right of uniformed policemen to stop drivers in random spot checks was upheld by Lord Widgery, the Lord Chief Justice, in the High Court yesterday.

Lord Widgery, presiding in the Queen's Bench Divisional Court, said: "The general duty of a police officer extends to seeing whether a driver carries valid documents." The mere fact that an officer had no reason to think that a driver did not have valid documents did not have away his legal right to stop the vehicle.

The court allowed an appeal by the police from a decision of magistrates at Sittingbourne, Kent, on November 28, 1977, that Mr William Sidney Wood, a lorry driver, of Meads Avenue, Sittingbourne, had no case to answer on a charge alleging that he failed to stop when requested to do so by an officer in uniform.

The magistrates acquitted Mr Wood, who was alleged to have slowed down and sworn

at the officer as he went past, on the ground that the officer had no legal right to stop Mr Wood because he had no reason to believe Mr Wood did not have valid documents or that the lorry was not fit to be on the road.

Mr Justice Wynn, giving judgment, said the Road Traffic Act, 1972, gave a uniformed officer the power to stop a driver. There was nothing in the Act to suggest that the officer had to suspect an offence.

Because the magistrates had acquitted Mr Wood on a defence submission of no case to answer, the case would have to go back for them to continue the hearing.

He added: "One does not know what Mr Wood's defence will be, but if the facts proved or admitted are that he was required to stop by an officer in uniform, not acting capriciously, and he failed to stop then, there is no answer to the charge."

Law Report, page 23

Soldiers in tank crash identified

Two soldiers killed in a crash between two tanks were identified yesterday, as a Ministry of Defence inquiry into the accident opened. They were Gunner Victor Lilley, aged 24, a married man, of Pirbright, Surrey, and Trooper Michael Allen, aged 27, of Dinsdale, Newcastle-under-Lyme, Staffordshire.

The crash happened on Monday at the Military Vehicles Engineering Establishment at Longcross, near Chertsey, Surrey.

Rare stamps stolen

A collection of rare stamps, thought to be worth nearly £500,000, has been stolen from a retired teacher living in East Grinstead, West Sussex. The stamps are mostly British and Commonwealth issues.

Henry III coin found

A treasure trove inquest may be held at Torquay, Devon, on a Henry III silver penny found with a metal detector in a park by Mr Brian Read, a Freeman.

Cuts endanger old and disabled, report says

By Pat Healy

Social Services Correspondent: Elderly and disabled people will be put at risk as a result of proposed cuts in social and voluntary services, the Personal Social Services, Council says. Its latest monitoring report says the only apparent gainers from the cuts may be private sector homes.

Private homes may appear to be an area for expansion, and many provide excellent care, the council says, but it gives a warning against copying the pattern elsewhere. "Those responsible for services should take careful notice of the disastrous results of the rapid growth of the profit-making private nursing home sector in the United States without adequate registration and inspection safeguards", the report says.

Horror stories of poor treatment, poor facilities and exploitation for gain by unscrupulous speculators necessitated the present overdue strengthening of United States law.

Expansion of the private sector in Britain is the logical consequence of the pattern of cuts by local authorities which the council has been monitoring

for more than six months. Its first report, which included that government policy on social services was being thwarted by the need for cuts, was published shortly before the Government announced that the council would be abolished this year.

The new report, based on evidence from 85 of 116 social services authorities, shows that earlier trends are confirmed. In the absence of firm guidance from the Government over how specific groups of people should be protected, most authorities are applying cuts evenly across the board.

That will mean that services for the elderly and handicapped will be most affected because they form the greatest part of social services and the numbers of elderly and disabled people needing them are rising.

Most authorities are reducing sharply their residential services, a process that will limit the number of places in homes for elderly and disabled people. Most authorities are also cutting back on day care and services in the home that help elderly and disabled people to continue to live in their own homes.

Minister calls for more smaller, cheaper homes

By Our Local Government Correspondent

Local authorities and builders should provide more "starter" homes to meet the demand for lower priced small homes for sale, Mr John Stanley, Minister for Housing and Construction, said yesterday.

Commenting on a report by the housing development directorate of the Department of the Environment, he said it showed that where housebuilders had built smaller new homes at relatively high densities they had been able to bring prices down and to meet the needs of single people and those setting up home for the first time.

About half of all households are made up of one or two people, and their number is in-

creasing by nearly 200,000 a year.

Of the existing housing stock, only 10 per cent is in one-bedroom units and most of those are for rent, not for sale. Only about 4 per cent of new private sector building for sale is in one-bedroom units. "Clearly there is unmet demand for small, low-cost homes", Mr Stanley said.

The report shows that most purchasers felt the starter homes were a great improvement on their previous accommodation. Many had been sharing with in-laws or paying high rents in the private sector, and had low priority on local authority waiting lists. Starter Homes (Stationary Office, £2.25).

"When I use Lufthansa on my business trips the work starts after I've landed and not before."

"When I use Lufthansa for a holiday flight, the holiday starts on board."

These are authentic passenger statements.



Lufthansa
German Airlines

Consult your Travel Agency or our timetable for exact details of all our flights.

WEST EUROPE



Socialists eager to save détente: Socialist leaders at the opening of their international congress in Vienna yesterday. (Left to right) Dr Mario Soares (Portugal); Mr Shimon Peres (Israel); Mr Olof Palme (Sweden); Mr Bernt Carlsson (General Secretary); Herr Willy Brandt (West Germany); and Dr Bruno Kreisky (Austria).

Mr James Callaghan told the press after yesterday's session that the Socialist International had condemned "the monstrosity of the Russian invasion of Afghanistan, so ruthlessly carried out" and demanded the withdrawal of Soviet troops (Sue Masterman writes from Vienna).

Mr Callaghan said none of the delegations believed that détente was now at an end and a new cold war beginning. Détente, however, had taken a heavy blow. "A new arm race in Europe would be disastrous," he continued. "History has shown that arms races inevitably lead to war."

It was essential, Mr Callaghan said, that areas of agreement or accommodation with the Soviet Union be found. "We must make sure we do not drift into the horrors of nuclear warfare by mistake or indifference," Mr Callaghan felt that the Socialist International should call for the immediate ratification by the United States of SALT 2, the treaty signed by President Carter and President Brezhnev last summer in Vienna. "It is in everyone's interest that it should be

Seveso factory chief killed by terrorists

From Peter Nichols Rome, Feb 5

Signor Paolo Paoletti, aged 39, an executive of the ICMESA factory at Meda, was killed by terrorists today. He was the eighth victim of terrorism this year.

The factory has been closed since July, 1976, when an explosion caused a cloud of dioxin poison to settle on the town of Seveso. Signor Paoletti was in charge of its security and maintenance.

He lived at Monza and the killers were waiting for him outside his home as he walked across a courtyard to get into his car. There were four of them, one a woman, and he apparently tried to escape because he was close to the front door when they shot him.

The grey Fiat used by the killers was found an hour later at the roadside on the outskirts of the town. The police set up roadblocks and used helicopters in their search.

The Icmesa factory at Meda belongs to Hoffmann-La Roche, the Swiss multinational organisation, and in 1976, Signor Paoletti was director of production. After the explosion he and a Swiss superior were arrested but this was changed to house arrest because it was thought that the presence of the two men was necessary at the factory to help the investigation.

They were arrested again in August, 1976, on the grounds that they might tamper with evidence but were released after several months.

The poisonous cloud after the explosion polluted about 74,000 acres and a shadow still hangs over Seveso's future because the

full effects of what happened that summer's night nearly four years ago cannot yet, it ever, be estimated precisely.

A curious incident in Milan on January 15, may be a prelude to today's shooting. Four young people including a woman entered the premises of the Sago Company and bound and gagged the staff. They stayed for about 20 minutes and then left with a number of documents.

The next evening a bulletin was issued in the name of the terrorist group, "Front Line", claiming responsibility. The bulletin said the company had carried out research on behalf of Icmesa "provoking the dioxin to crush the proletariat."

Reports today from the little town of Pavia, south of Rome, give a vivid idea of one of the struggles of the terrorist movement.

The local public prosecutor was murdered in November, 1976, by terrorists.

The vital evidence against two men arrested was provided by a schoolgirl identified as "D.M." in court who appeared with her face half covered by a scarf as she testified.

She has since been kept under the constant watch of two special branch men and has not been able to go to school. She does not talk to her mother and reportedly suggests that the family is living in complete segregation.

Telephone claim: An anonymous woman telephone caller to an Italian news agency later said the "Front-line" far-left terrorist group, was responsible for today's killings.—Reuter.

Poll shows Italians like previous popes more

From Our Own Correspondent Rome, Feb 5

A poll taken among Italians shows Pope John Paul II running behind Paul VI in popularity, with John XXIII still well ahead of both in terms of affection.

The present Pope's popularity is shown to be rising, but 64 per cent of those polled see him as conservative and authoritarian on doctrinal questions.

He is more popular with women than with men. He is respected most for his dynamism, then for his intelligence of the media, followed by his handling of his sensitivity to political and economic problems and his ability to speak clearly.

More than a half of the persons approached thought that his popularity had suffered as a result of the Hans Küng case, but a quarter thought that the episode had done him no harm while 10 per cent felt that it had done him good.

His doctrinal rigidity was confirmed once again yesterday when he spoke to judges of the Sacred Rota, the court dealing with cases of matrimonial annulments.

Marriage was one and indissoluble, he said. If a marriage was null and declared such, the two sides were not bound in the sense that there was never a tie. But if it was confirmed that the couple celebrated a marriage, they were pledged for life.

Today the Pope received Cardinal Ruffini, Archbishop of Westminster, in private audience.

Nine revive interest in closer Turkish links

From Michael Horsaby Brussels, Feb 5

At their first formal meeting in nearly three years the EEC and Turkey agreed here today to put new life into their political and commercial relations "with a view to facilitating the accession of Turkey to the Community at a later date."

This move, coming after a long period of steady deterioration in relations with Turkey, was seen as part of the community's campaign to mend its fences with strategically important countries in response to the Soviet invasion of Afghanistan.

Lord Carrington, the Foreign Secretary, described today's meeting as important and said he believed the Turks had been pleased by their reception. He did not think the Turks "would dream" of applying for full membership until they had put their economy in order. But they clearly set great store by their relations with the Nine.

The new right-wing Turkish Government of Mr Suleyman Demirel has been pressing for a firmer commitment from the EEC on future Turkish membership of the Community, partly out of fear that Greece, which becomes a full member on January 1, 1981, might veto a Turkish application for entry.

The statement in today's communiqué appears to go somewhat beyond the terms of Turkey's 1963 association agreement with the EEC, which merely holds out the possibility of membership when the Turkish economy has developed sufficiently to permit it.

Resentment has been building up for some time in Turkey over the way that the community and other privileges it enjoys under the association agreement have been eroded by the preferential trading terms granted by the EEC to other developing countries in the Mediterranean region.

The Turkish Foreign Minister, Mr Hayrettin Erkmen, told his EEC counterparts today that the desire of Turkey to take its place in the Community is

in accordance not only with its own economic interests but also with those of the Community.

Recent developments in the world and the Middle East—apparently a reference to events in Afghanistan and Iran—had demonstrated the strategic importance of Turkey to the West, Mr Erkmen declared.

He served a warning that relations between Turkey and the EEC, which under the association agreement were intended eventually to lead to full membership, could never run smoothly if Turkey was treated as just another country with which the EEC had preferential trading links.

EEC foreign ministers agreed with Mr Erkmen on "the political need for a fresh approach" and promised to "do everything to ensure that the constructive dialogue at this meeting is quickly translated into practical decisions" to alleviate present problems.

Among the main Turkish concerns listed by Mr Erkmen are more financial aid, better access for Turkish industrial and agricultural exports to the Community and progress towards free movement for Turkish migrant workers in the EEC. Turkey has a huge trade deficit with the EEC, with 30 per cent inflation and 20 per cent unemployment.

Mr Erkmen also reiterated Turkish fears that Greece might use its membership of the EEC to win a more sympathetic hearing from the Community for its side of the case in bilateral disputes with Turkey over Cyprus and territorial rights in the Aegean Sea.

The foreign ministers of the Nine gave an assurance that the further enlargement of the Community "would not affect relations with Turkey" or change the rights guaranteed to Turkey under the association agreement.

The ministers also heard a report from Herr Wilhelm Haferkamp, the EEC Commissioner for External Relations, on progress in the negotiations with Yugoslavia on a new five-year trade agreement.

Gunman kills victim and holds seven hostage

From Our Own Correspondent Rome, Feb 5

Many police tonight surrounded the offices in Milan of the Purina Italia company where a self-styled terrorist shot a man and held five women and two men hostage.

The man telephoned the ANSA news agency and announced the killing, adding that he was a member of the "Communist Fighting Units" movement.

He allowed an agency reporter to speak to the hostages. One of the women confirmed that a colleague, Signor Gianni Ferrari, had been shot. The hostages said the gunman was alone and asked that their families be informed of what had happened to them.

The man's demands began with the arrest of certain people belonging to the strategic direction of the red brigades, Italy's leading left-wing terrorist movement.

He wanted two statements broadcast and published by the press.

French withdraw diplomats from embassy in Libya

From Ian Murray Paris, Feb 5

France has decided to recall its ambassador and diplomatic staff from Libya after the burning of the embassy building in Tripoli and the sack of the French consulate in Benghazi yesterday.

At the same time Libya has been asked to withdraw a similar number of its officials from its embassy in Paris. A French statement said these moves were decided "following the inadmissible behaviour of the Libyan authorities."

The Libyan Embassy in Paris, like all Libyan embassies, is administered by a "popular collective".

According to M Charles Melo, the French Ambassador, the Libyans ignored his appeal for help to protect his embassy before the crowd's changing, "Popular revolution" in Tunisia, burst in. It now appears that the consular staff in Benghazi were warned by the authorities of an approaching angry crowd but got no help protecting them or the building.

In the event, no French national seems to have been injured and the special crisis unit set up at the French Foreign Ministry in Paris has reported that the crowd's changing, "Popular revolution" in Tunisia, burst in. It now appears that the consular staff in Benghazi were warned by the authorities of an approaching angry crowd but got no help protecting them or the building.

Even so, the ministry has advised all French passport holders arriving in Libya for any reason other than pressing business to cancel their trip for the present.

While the majority of the French in Libya are representatives of private companies, a good 20 per cent are civil servants and military advisers. The result of shrewd French trading in the early seventies, which began with the sale of 110 Mirage fighters to President Gaddafi soon after he came to power, a deal which broke the traditional monopoly of American arms sales to Libya.

Relations have deteriorated, however, since President Giscard d'Estaing took office, due in no small part to his support for President Sadat in Egypt. President Gaddafi has also removed French warships and the territorial dispute over Western Sahara.

These frictions were exacerbated last week when France sent two transport aircraft and two unarmed Puma helicopters to Tunisia to help carry Tunisian army units to Gafsa where insurgents were trying to take over. M Yvon Bourges, the French Defence Minister, said last night that the presence in Tunisia waters at the moment of three French warships and five submarines was part of "a normal manoeuvre".

Menten war crimes case to be reopened by Dutch

From Our Correspondent Amsterdam, Feb 5

The Supreme Court of The Netherlands today ordered a court in Rotterdam to resume proceedings against Mr Pieter Menten, the Dutch millionaire and art collector, accused of war crimes, mass executions of Polish Jews.

On September 27 last year, the court in Rotterdam had suspended proceedings against Mr Menten aged 80, because it considered him mentally too ill to defend himself. According to three experts who testified, Mr Menten suffers from advanced arteriosclerosis of the brain.

But the Supreme Court has ruled that the court in Rotterdam had insufficient grounds to suspend proceedings and in particular that it interpreted the concept of insanity too broadly. It is the third time that the Supreme Court has ruled in the Menten case. On May 29th, 1978, it quashed the 15-year

sentence imposed on Mr Menten in 1977 by a court in Amsterdam and ordered a retrial in The Hague.

The court in The Hague subsequently ordered the release of Mr Menten because, according to the report, he had been given immunity from prosecution in the early fifties by the Minister of Justice. This ruling was also quashed by the Supreme Court which then ordered a second retrial, this time in Rotterdam.

Since the Rotterdam court's decision to suspend proceedings, Mr Menten has been living under virtual house arrest in the coach house of his villa in Blaricum, a picturesque village about 15 miles to the south-east of Amsterdam.

The public prosecutor in Rotterdam said today that he would reopen the case against Mr Menten as soon as possible, but this might take several months because a number of witnesses have to be called from abroad.

Life sentence on soldier who killed comrade

Bielefeld, West Germany, Feb 5

A British military court today sentenced a young soldier from the Royal Hampshire Regiment to life imprisonment for murdering a fellow soldier and attempting to murder another in Bulfer Barracks, Munster, last September.

Private Michael Jeffries, aged 19, from Liss Forest, near Petersfield, Hampshire, was said to have entered a room where two soldiers were in their beds and beaten them about their heads with a pickaxe handle.

The dead man was Private William Robins, aged 21, a married man from Worcester. His room-mate, Private Guy Gibson, aged 22, from Lymington, Hampshire, received severe injuries.

Private Jeffries pleaded guilty to the charges and no witnesses were called. It was said that he had been unable to give any reason for the attack and there appeared to be no motive.

Psychiatric evidence did not indicate diminished responsibility and Private Jeffries, who gave no evidence during the two-hour hearing appeared to accept the verdict without emotion.—Reuter.

Dutch left drop discussion on ending monarchy

From Robert Schull Amsterdam, Feb 5

Attempts within the two main left-wing parties in the Netherlands, the Socialists and the Democrats '66, to rethink the discussion, dormant since the 1960s, on whether the monarchy should be abolished in favour of a republic have been quashed.

At a meeting of the Labour Party's national council at the weekend, representatives of the Young Socialists tried to introduce a motion calling for the end of the monarchy when Queen Juliana abdicates on April 30. But the council refused to discuss the matter.

The Labour manifesto officially does not mention when the Netherlands should start contemplating such a form of government. As one leading Socialist once put it: "If Holland were a republic Queen Juliana would be elected president."

Similarly the executive council of the Democrats '66, the small but influential Left-wing Liberal Party, issued a statement deploring the fact that some members of the party had called for a discussion on whether a monarchy or a republic is the most preferable form of government now that Queen Juliana has announced that she intends to step down.

Meanwhile, a number of interesting details have emerged surrounding the Queen's decision to abdicate and why it was so unexpected. It is said that she wanted to underlie the fact that the decision to abdicate was still the sole prerogative of the monarch.

At the same time, by abdicating on her 71st birthday she has avoided setting a precedent which would make 70 a mandatory royal retirement age. It had generally been assumed that the Queen would step down last year.

Constitutional experts are divided as to whether the act of abdication, which the Queen will sign on the morning of April 30 a few hours before her daughter, Crown Princess Beatrix is installed as the new Queen needs the counter signature of a minister. Relations between the Crown and the Cabinet are based on the stipulation in the constitution that "the King can do no wrong, the ministers are responsible".

Another point of constitutional law being discussed is whether the Cabinet must tender its resignation to the new Queen, as it is the monarch who appoints and dismisses ministers.

Mr Andries van Agt, the Prime Minister, will announce further details of the abdication and the succession this week, after discussions with the Queen and the Crown Princess. In particular he is expected to say whether the

Crown Princess intends to rule as Queen Beatrix or as Queen Wilhelmina II.

Wilhelmina is one of the other names Princess Beatrix was given at her christening. She was named after her grandmother Queen Wilhelmina, who gave powerful guidance to the Dutch Government in exile in London during the Second World War and who abdicated in 1943 in favour of her daughter, Juliana, after a 50-year reign.

Although the male line of the House of Orange died with King William III in 1893, Holland is to have a Prince of Orange for the first time in nearly a century. The future Queen's elder son, Prince Willem-Alexander, will assume the title when his mother assumes the crown. The last prince to hold the title was the eldest son of King William III, Prince Alexander, who died in 1884.

OVERSEAS

Franco-German summit ends with identity of views, a tank deal and a sharp warning to Russia

From Charles Hargrove Paris, Feb 5

The Franco-German alliance is in good shape. The summit meeting just ended between President Giscard d'Estaing and Herr Helmut Schmidt, the West German Chancellor, has produced a complete identity of view on the Afghan crisis, and a sharp warning to Russia to withdraw her troops if détente between East and West is not to be permanently affected.

While emphasising the loyalty of the two governments to the Atlantic alliance, the final declaration issued today asserts the "particular responsibilities" of European countries for peace and security and the determination of the two governments to assert them.

This amounts to the "original European approach" on which the French President sets great store and which he recently defined in India as the refusal to choose between "acceptance of the fait accompli" of Soviet intervention and "the revival of the cold war".

To paraphrase Lord Carrington's phrase, Paris and Bonn are more than in harmony; they are in unison. And London, which has not completely with the United States, is rather left out in the cold.

Beyond this the thirty-five Franco-German meeting since 1963 has led to the agreement by both governments to produce, in common, a new combat plan for the 1980s, which is one of the most important technical cooperation projects to date between the two countries.

They will also embark on the joint construction of a communications satellite for which the documents will be signed by the end of next month.

The joint declaration states bluntly that détente would not survive another blow of the same nature as Afghanistan. If it were to occur, France and West Germany in agreement would take appropriate steps to guarantee their security and defend international stability.

They consider that the genuinely non-aligned countries have a part to play in world peace and stability and should be dragged into an East-West confrontation.

French and German efforts

to overcome the present crisis make sense only if Russia demonstrates its will to respond to them. A withdrawal of Soviet troops from Afghanistan is necessary to the success of discussions at present under way on security and peace—an allusion to the Salt 2 agreements and the Madrid conference on security and cooperation in Europe next autumn.

President Giscard d'Estaing told a press conference at the close of this morning's talks that "peace and security were two complementary objectives we intend to pursue". It was significant, in the present state of world tension, that France and West Germany had been able to express identical views.

Both countries wish to explore the way of reducing international tension," he added, "but in return, we expect concrete gestures, and especially that the Soviet Union should stick to its declared intention of withdrawing its troops from Afghanistan."

The President also insisted on the determination of both government to achieve progress in the organization of the European Community and to seek solutions to the problems facing it within the framework of existing institutions and rules—a clear warning to Britain.

He was even more explicit in his toast during the state dinner at the Elysée Palace for Herr Schmidt last night. "It would be disappointing, even indecent, in the present circumstances, if additional differences should arise within the community."

Both he and the German Chancellor agree that Britain's budget demands should be met with a firmness which does not include compromise but not at the expense of "Community achievements". Herr Schmidt, in particular, considers that Britain is not as poor as it makes out and that the latest rise in oil prices will enable her to balance its payments this year.

Herr Schmidt, on his side, emphasised that this was anything but a routine summit. He had had some ten hours of private talks with the President and at last night's banquet, the countries' foreign policies were coordinated to a degree which was rare between sovereign states.

Soviet war figures demanded

Continued from page 1

The paper assured its readers that real conditions for rebuilding aggression had now emerged. But it added, "the revolution still remains in danger. Its enemies are not going to lay down their arms."

The message that the Russians are in for a prolonged struggle was reinforced in a Tass despatch from Kabul today, which said bandits from Pakistan were "cruelly slaying peaceful people", and had burnt down several schools and blown up bridges and roads in Nangarhar province.

Afghan army units had started liquidating these gangs, and recently a well-armed gang operating in Badakhshan, Tass said the rebels had intensified their operations as the time of Mr Zbigniew Brzezinski's visit to Pakistan. Quoting an Interior Ministry official, it said: "a rebel leader in Pakistan had called on other groups to show what they were capable of on the eve of the visit by President Carter's envoy."

These Soviet reports of insurgent activities come immediately after a report, hotly denied by the Russians, that Soviet-led Afghan soldiers had massacred an estimated 1,170 unarmed men and boys last April.

The report, published by The Christian Science Monitor yesterday, said almost all the male population of the town of Kerala in eastern Afghanistan was killed for helping the rebels.

Today Tass called the report "monstrous misinformation", and said the dirty slander was part of a malicious propaganda campaign launched by Washington and its allies around the events in Afghanistan. Imperialism had invented the "vile fabrication" for its own definite purposes.

Tass said imperialism was guilty of such crimes as Auschwitz, Buchenwald and the gas chambers recently used to massacre more than 100,000 Song My massacre in Vietnam. The Soviet people who had made innumerable sacrifices in the Second World War knew the price of human life.

There is considerable anxiety about the events in Afghanistan, especially as widespread rumours speak of large numbers of Soviet troops being killed there.

The Soviet Union has never disclosed figures of how many troops it has sent to Afghanistan, or how many casualties it has suffered—estimated by the Americans at 2,500 killed or wounded.

But many Russians have heard Western estimates and reports on foreign radio broadcasts to this country. They have bombarded speakers at political parties and public meetings with questions demanding precise figures.

In a clear attempt to reassure the Soviet public, Mr Boris Ponomarev, a candidate member of the ruling Politburo, said yesterday there had been no clashes between Soviet troops and Afghan rebels. He specified that this fact was contrary to what "all sorts of voices have been rumouring". Mr Ponomarev, aged 75, is in charge of a party foreign

Soviet invasion has been most unifying event since Koran Hate unites Afghans

From Ian Murray Paris

The farther away from Kabul one goes the worse the Afghan conflict appears.

Viewed from Paris, the combination of tanks, snow, fierce tribesmen and the crushing boot of Soviet imperialism look positively terrifying.

But in the back streets of Jalalabad there is an air of business as usual.

It is true that scarcely a day or night goes by without the sound of artillery or small arms fire crackling out above the buzz of the bazaar. It is true that at night the chances are there will be no lights because the local transformer has been blown up again. It is true that helicopters gunships frequently pass overhead, with rockets loaded for firing hanging underneath.

But all that has been going on for a year or more and people scarcely bother to look up any longer to see the helicopters. They have become a part of the landscape. Indeed, throughout the country the one change since the Soviet Army arrived on December 27 is that there is less fighting.

Certainly an end has come to the napalm bomb attacks on the mountain villages which started the flood of refugees over the border into Pakistan last October.

The Afghans on mass have the Russians more deeply, it would seem, than anything or anyone else. The arrival of the Soviet Army has been the most unifying event in Afghanistan since the arrival of the Koran.

Up to now it has only been Islam and the nineteenth century British cartographers which have held Afghanistan together. Afghanistan is really a created as a buffer state between the Indian Empire and the Russian bear.

Within its frontiers the tribesmen have consistently shown themselves loyal to their tribal chiefs than to their king or government and more loyal to themselves individually than to their tribal chiefs.

They have turned their hand indiscriminately to: hunting; farming; banditry and smuggling. Their superb knowledge of the terrain enabled them to

bloody the nose of the British Army in the days when the British Army bestrode the world.

For the moment it is possible to argue that the Russian Army is faring no better than the British, despite its MiG fighters, its helicopter gunships and modern artillery. Outside the cities the tribal chiefs still rule.

It would be wrong to think of these tribal leaders as rulers of patriotic freedom fighters pledged to death to rid their country of the Soviet scourge. The harrowing experience of these West German lorry drivers captured by tribesmen near Jalalabad, shows how these Mujahideen warriors really behave.

The drivers had all their valuables stolen from them, and one of them, who refused to do what he was told, was shot down and killed in cold blood. During the day the freedom fighters bid and in the evenings they went out looking for safe targets.

There were many rival gangs and the surviving Germans were released they needed an armed guard to protect them from other bandits as they were escorted back to Jalalabad.

The one unifying thing is the universal dislike of the Russians. This gives the whole of the Afghan people a common target to aim at and stops them fighting among themselves.

Mentally they are well equipped to win. They have the Russians fanatically as non-believers and they are certain that killing a Russian soldier will earn them a place in heaven.

How well equipped physically the Afghans are to take on the Russians is more questionable. On a trip across the border with the proud killer of 400 soldiers, four British journalists found that this "Lion of the Mountains" was quite unable to keep up with them, despite the fact they normally go up nothing steeper than Ludgate Hill.

The Saur revolution of two years ago brought with it cruel and repressive measures and it is more than likely that tens of thousands of people died from torture and execution.

Kenya President receives Muhammad Ali

From Our Correspondent Nairobi, Feb 5

Muhammad Ali, the former boxing champion, who was asked by President Carter to seek the support of African states for an Olympic boycott, received by President Daniel Moi of Kenya today.

Latter two posed for photographers at State House here. Mr Ali said he was part from expressing his pleasure at being in Kenya.

After meeting Mr Robert Matano, Minister of Social Services, Mr Ali said: "I support President Moi's 100 per cent Tomorrow" he leaves for Nigeria, the next stop on his tour.

Kabul amnesty to mark birthday of the Prophet

Moscow, Feb 5.—Mr Babrak Karmal, Afghanistan's Soviet-backed President, has proclaimed an amnesty for 448 people, jailed on criminal charges, to mark the birthday of the Prophet Muhammad, Tass reported from Kabul today.

The move appeared to be part of the Marxist leader's attempt to win the confidence of the country's predominantly Muslim population.

According to Tass, celebrations of the birthday, which also included a rally attended by Government leaders at the Kabul University were given wide coverage in the officially-controlled press.

OVERSEAS

Congress is asked to approve \$7,500m Carter foreign aid Bill

From Patrick Brogan Washington, Feb 5

Mr Cyrus Vance, the Secretary of State, went to Congress today to explain President Carter's proposed foreign aid programme for the next financial year, which begins on October 1, 1980. The Administration is asking for \$7,500m (£2,678m) for the year.

One of the first things he did was to protest that Congress has still not voted the funds for the current financial year. The Appropriations Bill is still the subject of haggling between the Senate and the House of Representatives. The House wanted to prohibit any aid going to bodies like the World Bank, because it aids countries Congress disapproves of.

The ban will not be imposed and the funds will be appropriated by the House in the meantime. The Foreign Assistance programme has to make do with a continuation, at the same level, of funds voted two years ago.

The United States proposes to spend \$1,200m on the Food for Peace Programme, which will send abroad six million tonnes of grain. The Secretary of State asked for an additional \$100m to buy up grain whose export to the Soviet Union has been embargoed.

The principle recipients of American food aid are refugees from Kampuchea, Southern Africa and Somalia. Food will also be sent to countries which have balance of payments problems because they have to import food. They include Egypt, Bangladesh, Pakistan, Nicaragua and Sudan.

Military and economic aid for Pakistan will be considered in a separate Bill to Congress. It

will include aid for Afghan refugees.

As was the case last year, the principal recipients of American direct economic and military assistance will be Egypt and Israel. Israel will also get \$318m in 1981, compared with \$311m this year, to pay for moving military facilities out of the Sinai desert before it is returned to Egypt.

The total economic support programme, of which those two countries will be the main beneficiaries, will be \$2,056m, about the same as the current year.

Military aid is generally in the form of loans and in 1981 programmes costing a total of \$2,600m will require an initial outlay of \$714m. Of these sums, Israel and Egypt will get 59 per cent.

In his testimony to Congress, Mr Vance described the principles behind American aid to Third World countries. "Throughout Latin America, Africa and Asia," he said, "more and more people are insisting not only that their nations preserve their independence from foreign domination but also that they themselves have a greater say in the economic and political decisions of their governments."

When these demands are long denied, popular frustrations can explode in violent and radical directions. By helping poorer nations and people in need, to build a better future, we are both strengthening the world economy and enhancing the political stability which comes with economic, social and political justice.

He went on to say that the United States must also help countries to defend themselves against aggression.

Lord Seames takes wider powers

From Our Own Correspondent Salisbury, Feb 5

Lord Seames, the Governor of Southern Rhodesia, today armed himself with new powers to combat political intimidation.

The powers allow him to restrict public meetings by political parties, to suspend people from campaigning or to disqualify a party from contesting this month's general election in areas where violence or coercion is taking place.

Presenting the measures to a meeting of the Election Council today, Lord Seames called on each of the nine black parties contesting the election to "give the clearest and most public lead it can to all its followers in order to disassociate itself from political violence and intimidation."

He asked members of the council, who represent the nine black parties, to recommend their leaders to sign a document which would constitute a solemn declaration to the undertakings entered into at Lancaster House.

At Lancaster House the parties involved agree to campaign peacefully and without intimidation, to renounce the use of force for political ends and to accept the outcome of the elections.

Lord Seames said there was mounting evidence of widespread and systematic disregard of these aspects of the Lancaster House agreement. There were daily reports of attacks on party officials, intimidatory statements at party meetings, meetings being abandoned because of threats and people being threatened with death if they did not vote for a particular party.

The culmination of these violent acts was last Sunday's ambush on a bus in which 16 people were killed.

Lord Seames' latest move to combat intimidation follows a meeting he had yesterday with Mr Robert Mugabe, leader of Zanu (PF) and its military wing, Zanu, which the British claim has been chiefly responsible for the intimidation.

After the meeting Mr Mugabe made a televised broadcast, in which he called on Zanu forces to comply with the ceasefire regulations and urged Zanu (PF) supporters to respect the right of every party to campaign freely.

Today Mr Joshua Nkomo, leader of the Patriotic Front, called on the Governor to discuss the issue of intimidation. Sources said Mr Nkomo also attributed most blame to Zanu, saying that his party had been prevented from joining meetings in the eastern part of the country.

He also criticized the activities of the security force auxiliaries. Mr Mugabe has claimed that the auxiliaries were chiefly to blame for intimidatory acts.

Lord Seames' new measures are designed to be an intermediate step which stops short of imposing a complete ban on a political party.

The Governor realizes that such a drastic move would be tantamount to British attempts to hold free and fair pre-independent elections.



Mr Nkomo speaking at a press conference yesterday at which he said he would ask Lord Seames to postpone the election because of intimidation.

Refugees returning to Rhodesia

From Nicholas Ashford Penhalonga, Feb 5

A start has been made on the biggest and most difficult phase of the repatriation programme under which some 20,000 Rhodesian Africans who fled to Mozambique, Zambia and Botswana will be resettled in their homeland.

During the next six months about 150,000 of these refugees are expected to pass through a reception centre set up at a remote spot known locally as the Toronto Road camp. It is a former building yard set in thick bush a few miles from the eastern border town of Umtali.

For the past two to three years the refugees have been living in vast camps in Mozambique, the forgotten victims of the Rhodesian war. Yesterday, the first day of the repatriation operation from Mozambique, about 500 men and women accompanied by about 100 babies crossed over the Forbes border post at Umtali and were taken to the Toronto reception centre. Officials expected a similar number to be processed today.

According to Mr David Steel, an official of the Social Affairs Department, the figure should shortly rise to around 1,000 refugees a day which would be the maximum amount the reception centre could handle.

The refugees, who had been living in camps near Chimoloi, were brought to the reception centre in buses. On arrival they were first taken to a reception tent where their belongings were searched for weapons and then they were screened by Rhodesian Special Branch policemen to check they were genuine refugees and not guerrillas in disguise.

"We don't want to hassle them, but we must take a few basic precautions," said a Special Branch officer said.

The refugees were then given a medical check and provided with anti-cholera and malaria tablets. The children were also immunized against polio, smallpox and measles.

Those who have arrived so far have been in excellent health. Mr Henry Farrell, the provincial medical health officer remarked, "The only illness we have found among them is scabies. Most of them seem well fed too. In fact some of them have brought bags of food with them."

After the police and medical checks had been completed the refugees were given a meal and then taken to rows of bright orange tents to spend their first night on Rhodesian soil. The aim is to keep them at the reception centre for only 24 hours and then take them by bus to their homes, or if their homes have been destroyed, to transit camps operated by church organizations.

Most of the refugees who have passed through Toronto reception centre so far have been aged under 30 and have included a preponderance of young men. Many had had no contact with their families since they left the country and did not know whether they were still alive or living in the same area.

The repatriation operation is being organized by the United Nations High Commission for Refugees (UNHCR) in conjunction with the Rhodesian authorities and voluntary and religious organizations.

The repatriation programme has not gone so smoothly on the Botswana and Zambian borders. The return of refugees from Botswana which began on January 21 got off to a slow start.

It had been agreed by all parties concerned that the repatriation centre at Tegwini mission, near Plumtree, south west of Bulawayo, should handle 1,000 refugees a day. But at the end of the first 10 days

only 2,600 refugees had been processed.

The Rhodesian authorities were accused of deliberately trying to delay the return of refugees who will be eligible to take part in this month's general election. They were also criticized for maintaining an unnecessarily large number of armed men—mainly black district officers from the Department of Home Affairs—at the reception centre.

However, there has been a marked improvement since then, and by the beginning of this week 17,500 refugees from Botswana had been moved back into Rhodesia. Only about 7,500 refugees remain in Botswana.

The repatriation programme from Zambia began yesterday after several delays, including a refusal by the Rhodesian authorities to allow UNHCR to airlift refugees to Bulawayo and Salisbury. A total of 690 refugees from Zambia were allowed to enter Rhodesia by the Victoria Falls border post from where they were taken to a more reception centre at Gwelo river, about 100 miles away.

Nine of them were rejected at the initial police screening at Victoria Falls on the ground that they had undergone guerrilla training while outside the country. According to Major Nick Carter, an official of the wealth monitoring force border liaison team, one of them, who was detained by the police, had admitted to being a political commissar in Mr Joshua Nkomo's Zippa guerrilla army.

The police action was criticized today by Mr Nkomo who said that many of the people who had sought refuge in neighbouring countries had undergone military training. However they had now been demobilized and were carrying out their civilian occupations. Under the terms of the Lancaster House agreement, should be free to return to Rhodesia so long as they were unarmed.

Churches struggle for rights in Jerusalem

From Christopher Walker Jerusalem, Feb 5

A campaign is being waged by leaders of many of the main Christian churches represented in Jerusalem to secure new international guarantees for their position inside the city, in the rest of Israel and the occupied territories.

Because of complex inter-church rivalries and fierce jealousies over access to the Holy Places, many months have been spent in private consultations aimed at securing unanimity on what type of guarantees to seek.

Already private feelers have been put out to win the support of leading Roman Catholic and Protestant churches in Britain. A confidential document has also been circulated to interested governments with embassies and consulates in Israel.

A copy of the document, believed to have been written by a senior Vatican official, reached The Times today. In a key passage about the controversial possibility of securing international guarantees for Jerusalem, it stated:

"The optimal form would be a conjunction for this purpose of several Western states with a traditional interest in (Christianity in) the Holy Land, such as Greece (for Greek Orthodox), Italy, France, Britain and the United States, as over-all guarantors of agreements in the area."

The six-page document declared: "The present situation of the Christian churches and communities in the Holy Land is also in large part anomalous, and moreover uncertain and insecure. The whole network of treaties, agreements, concessions and status quo-type arrangements which assure these institutions a whole range of necessary liberties, rights exemptions etc... has no firm foundation in law or equivalent arrangements recognized as binding on themselves by the civil power, or powers, in the land."

Although the Vatican is known to have played a strong part behind the scenes in the new campaign to secure diplomatic initiative, it has not yet declared its hand publicly. One reason is understood to be fear

of upsetting the sensibilities of the influential Greek Orthodox church which traditionally holds primacy in Jerusalem.

Explaining the position, one leading Roman Catholic churchman told me: "The whole subject is a minefield of protocol. All the main churches are anxious to be seen acting in concert and not unilaterally. Also, we are determined to see that this becomes a negotiating process rather than a reversion to the nineteenth century when churches here appealed to the Christian nations to impose their wills on Jews and Arabs."

The churchman, who did not wish his name to be published, denied that the Christian churches were indulging in diplomatic intrigue: "There is a possibility that the Middle East peace process will soon normalize the whole politico-judicial situation in the area," he said. "It is essential that the Christian churches stake their claim before that happens."

The first public pointed to the new campaign came in a single paragraph of a three-page interchurch statement issued here last week condemning the recent upsurge of anti-Christian violence by right-wing Jewish extremists.

The signatories, who represented the Roman Catholic and most Protestant denominations in Israel demanded "an international guaranteed special status concerning the rights and liberties of the three great monotheistic faiths in Jerusalem, and throughout the Holy Land."

The Israel Foreign Ministry reacted angrily, accusing the clergyman of trying to cause "on the vandalism bandwagon" in seeking international intervention on the Jerusalem issue. The city is regarded by the present Government as the "indivisible" capital of Israel, a point which has been made strongly to Egyptian ministers over recent weeks.

A senior Foreign Ministry official responsible for dealings with the Christian churches explained: "The position of the Israel Government was and is clear. A special status could be guaranteed not to Jerusalem, but to the various holy institutions and holy shrines in it. In practice, we would negotiate this already exists because the churches have almost complete autonomy in their affairs."

Mr Begin promises Israel will protect Christians

From Our Own Correspondent Jerusalem, Feb 5

Mr Menachem Begin, the Israeli Prime Minister, has attempted to defuse the growing international controversy over the recent upsurge of violent attacks against Christian institutions, worshippers and holy sites in Jerusalem.

In a short statement yesterday which was later relayed to church leaders by an official, Mr Begin said: "The authorities will not tolerate acts of this kind. By the laws of Israel all faiths enjoy absolute freedom of worship, protection of their properties and freedom of access to their shrines."

"The Government of Israel upholds these principles in the fullest measure just as it has always done in the past in the spirit of respect of all the faiths represented in Jerusalem. Indeed, we take pride in Jerusalem since the reunification of our capital city, Jerusalem has enjoyed the harmony of co-existence and mutual toleration."

The authorities, therefore, will do their utmost to prevent the recurrence of such intolerable criminal acts."

No details of specific measures are being given. Among the targets have been historic buildings such as the Russian Orthodox church and the Mount Zion monastery, and bible shops which have been daubed with slogans and swastikas.

The attacks are believed to be the work of extreme right-wing orthodox Jewish groups. Mr Begin's intervention followed a well-publicized claim last week by leaders of the normally reticent Christian community that the Israeli authorities were not taking sufficient action to curb the Jewish extremists.

A spokesman for the United Christian Council in Israel, described the Prime Minister's statement as "reassuring. He added that its implementation would be followed "very closely".

Police lay first charge in American bribes scandal

From Our Own Correspondent Washington, Feb 5

The latest American public corruption scandal has claimed its first victims.

Mr Alejandro, an official of the Immigration and Naturalization Service, has been charged in Brooklyn with accepting a \$2,000 (£610) down-payment on an alleged bribe totalling \$15,000 for granting permanent residence status in the United States to an alien.

In nearby Trenton, New Jersey, Mr Kenneth MacDonald, a member of the state's Casino Control Commission, has resigned from his post. He has been named as the alleged recipient of \$100,000 in return for helping to obtain a casino licence in the coastal resort of Atlantic City. In his letter of resignation he said he has done "absolutely nothing wrong".

The two officials were among about 20 local public figures and eight members of Congress named in newspaper reports as having been caught in an elaborate operation by the Federal Bureau of Investigation.

FBI agents disguised as Arab businessmen are reported to have offered bribes totalling hundreds of thousands of dol-

lars to the public officials in return for various legislative favours.

During a succession of appearances before reporters on Capitol Hill, the seven members of the House of Representatives and one Senator named in reports of the FBI operation have refused to comment in detail on the allegations and denied unethical conduct.

At least four other members of Congress have disclosed that they were approached by FBI agents posing as Arab businessmen but spurned close contacts with them.

Senator Larry Pressler, a Republican member from South Dakota, expressed strong disapproval that he should be regarded in some quarters as a hero for having refused to deal with the "Arabs". He regarded his action as normal he said.

Meanwhile, both the Senate and the House of Representatives have moved swiftly to deflect some of the damage inflicted on their reputations by the new scandal. The ethics committee of the House of Representatives is sponsoring a special counsel to investigate the allegations. Its Senate counterpart has also promised to look into the accusations "fully and expeditiously".

Pilgrims killed

Delhi, Feb 5.—At least 15 Hindu pilgrims died when a steamboat with about 100 passengers on board crashed against a quay at Aradi in eastern India.

Nepal bus deaths

Katmandu, Feb 5.—At least 17 people were killed and 10 injured when a bus went off a mountain road about 30 miles south-west of Katmandu.

UN commission refuses to take up Sakharov case

From Our Correspondent Geneva, Feb 5

A Western attempt to get the United Nations Human Rights Commission to intervene immediately in the Sakharov case was put to the vote in the commission today and rejected by 15 votes to 13 with 12 abstentions.

The rejection motion put forward by Iraq, was to the effect that any initiative or discussion on Andrei Sakharov could be introduced only under agenda item 12 which refers to violations of human rights and freedoms in any part of the world. This means that the issue may not be taken up again until far through the six-week session.

On behalf of the 10 Western nations in the 43-member com-

mission, France had proposed sending a telegram to the Soviet Government noting "with concern" that the Noble Peace Prize winner had been removed from his Moscow home and confined to Gorkiy.

In objecting to this proposal, Mr Valerian Zorin, the Soviet delegate, said that the many years Dr Sakharov's activities had been "contrary to our laws".

Viscount Colville of Culross, the British delegate, said he was disappointed fundamentally with the notion that the commission's function was not to deal with individuals but with more general issues. If they were not solicitous of the dignity and basic freedoms of the individual, the commission's members had no right to be there.

Heds may deliver caning only with pupils' consent

From Ivor Davis Los Angeles, Feb 5

It will be no longer spare the rod and spoil the child for pupils in Los Angeles schools. The local board of education voted today to restore corporal punishment but only at last resort—and only if both the offending pupil and his parents give their permission.

The somewhat watered down caning rules were approved by a four to one vote after almost two years of debates.

Spanking in Los Angeles schools was abolished in 1975. School officials, who welcomed the return of this form of punishment were ordered to draw up fairly strict guidelines to limit the use of the stick and they did. They have been calling

for the return of the old system of punishment which Mr Richard Ferraro, a member of the education board, refers to as "applied psychology to the behind".

After the Los Angeles vote, Mr Seymour Feshbach, chairman of the psychology department of the University of California at Los Angeles, said: "Most scientists would argue that corporal punishment is likely to facilitate the very delinquent or anti-social behaviour that you are trying to punish or repress."

Under the new rule a pupil can receive as the most severe penalty only three strokes. But before punishment is carried out school officials must receive consent from the student and his parents.

Report sees human rights law gaining ground

From David Cross Washington, Feb 5

Though human rights are frequently violated all over the world, almost all governments now recognize the validity of a growing body of international law that spells out the basic rights and obligations they owe their citizens.

During the past year, this new international consensus made the greatest impact in Africa and Latin America where the creation of new bodies and the strengthening of existing ones has reflected an awareness that abuses of human rights are a legitimate international concern.

This is the main conclusion of the American State Department's annual report to Congress on human rights practices around the world in 1979. More than 850 pages of small print and tables published here today analyse the situation in all 154 member countries of the United Nations.

For the first time countries such as the Soviet Union and Vietnam, with which the United States has no close links, are included in the report.

In his section on the Soviet Union, the report says that the death of Mao Tse-tung and the purge of the "Gang of Four" have not yet broken entrenched patterns of harassment, arbitrary arrests and harsh punishment without trial for political dissent.

In China, the report says, "Greater freedoms" have developed in the three years since the death of Mao Tse-tung and the purge of the "Gang of Four". Nevertheless, "the repressive patterns of harassment, arbitrary arrests and harsh punishment without trial for political dissent" remain.

In section of the report rewritten to take account of the Soviet invasion of Afghanistan, the State Department says that torture, arbitrary arrest, extended and unexplained imprisonment and execution became commonplace in Kabul under the regimes of the late Presidents Taraki and Amin.

Indications are that the policies will continue under the new regime of Babrak Karmal," the department predicts.

Turning to another country in South-West Asia of topical concern to Washington, the State Department concedes that during more than two decades of rule under the Shah many thousands of Iranians were imprisoned for political reasons and a significant number were reported to have been tortured.

Since the Shah's departure, however, revolutionary courts have conducted summary trials and executions of hundreds of Iranians. In addition, perhaps as many as 15,000 Iranians were imprisoned at some time during the past year for past association with the Shah.

Although the report makes no attempt to compare human rights records between one country and another, Vietnam and Kampuchea come in for particularly scathing criticism. Since the fall of the South Vietnamese Government, tens of thousands of Vietnamese have been held in "re-education" camps under harsh conditions: nearly a million Vietnamese have fled the country, many of them perishing at sea; and Vietnam's invasion and occupation of Kam-

puchea has raised profound questions of human rights abuse in that country.

In Kampuchea itself "human rights more bequeathed," the State Department says. "Following four years of brutality at the hands of the Pol Pot regime, the Khmer people in 1979 were further victimized by famine, armed conflict and epidemic disease, the consequences of a massive Vietnamese invasion and occupation of their country."

Finally, the State Department's analysis of human rights in Northern Ireland and the occupied territories of Israel appears to be kinder than in past years.

FIGHT BACK AGAINST CANCER

It is good to remember that most people live their lives untouched by any form of cancer.

But as all too many are aware, cancer is something that casts its shadow far beyond those it directly affects. That is why so many people think it right to help the urgent work of the Imperial Cancer Research Fund.

The main laboratories at Lincoln's Inn Fields

IMPERIAL CANCER RESEARCH FUND

One of the ways you can help us NOW

I am sending the sum of £..... as a donation to the scientific work of the Imperial Cancer Research Fund. I do not require a receipt (please delete appropriately).

As you are sure to know, a donation made by means of a Covenant allows us to reclaim tax paid, thus increasing our resources at no additional cost to the donor. We have up-to-date details of how to make a Covenant arrangement—if you would like them sent, please put a tick in this box.

Mr/Ms/Miss

Address

The Appeals Secretary, Room 24/21 Imperial Cancer Research Fund, P.O. Box 123, Lincoln's Inn Fields, London, WC2A 3PX.

Simply turn to the Broadcasting Page

Don't miss "The Times" special

PIANO FEATURE

on Thursday 7th February

Bring the family together with the joy of music in your own home

Don't miss "The Times" special

PIANO FEATURE

on Thursday 7th February

Bring the family together with the joy of music in your own home

OVERSEAS



Joan Baez, the American folk singer, cuddling a Kampuchean child at the Sa Kaeo refugee camp in Thailand before joining a march for the survival of Kampuchea.

China rejects Hanoi's offer of lunar new year truce on border

Peking, Feb 5.—China today rejected Vietnam's proposal for a lunar new year truce on their frontier, calling it a "trick" aimed at distracting world attention from the renewed Vietnamese offensive against the Khmer Rouge in Kampuchea.

Mr Han Nianlong, the head of the Chinese delegation, turned down the truce proposal in a letter to Mr Dinh Nho Liem, his Vietnamese counterpart, the New China news agency reported today.

The Chinese reply coincided with the departure for Bangkok of Mrs Deng Yingchao, Chou En-lai's widow, at the head of a delegation from the Chinese National People's Congress on a friendship visit to Thailand.

Peking today said Vietnamese troops had embarked on pre-meditated military action against the Khmer Rouge at a time when world attention was

focused on events in Afghanistan and expressed fear that the fighting in Kampuchea would spill over into Thailand.

Mr Han, who is China's Deputy Foreign Minister, categorically rejected allegations made by Hanoi that Peking was responsible for tension on the Sino-Vietnamese border. He said there had been over 200 Vietnamese provocations against China since the beginning of the year.

Kampuchea march: A hundred Western celebrities left Bangkok today for the border in a symbolic march for Kampuchea's survival. The group includes Joan Baez, the American singer, Liv Ullmann, the Norwegian actress, and Alexander Ginsburg, the Soviet dissident.

At a Bangkok press conference, held on the eve of the march, Mr James Grant, the new director of the United Nations

Children's Fund (Unicef), who has just returned from Kampuchea, said that the first phase of the international aid programme, which began in October last year, had been successful.

He said that those taking part in the march were ill-informed because, according to Unicef, the Phnom Penh authorities distribute 25,000 to 28,000 tons of food to the population every month.

In view of this improvement in the food situation and the politically and diplomatically delicate aid operations being discreetly carried out along the Thai-Kampuchean border with Hanoi's tacit approval, several aid officials and Western diplomats in Bangkok felt that the "march for survival" had come at an inopportune time.

Agence France-Press.

Arms level of super powers criticized by Chinese

From Our Correspondent
Geneva, Feb 5

In taking its seat in the United Nations Committee on Disarmament for the first time China today accused the Soviet Union of having extended "the practice of military aggression and occupation" to the Third World and Islamic countries.

In spite of Soviet protests that his remarks were out of order, the Chinese delegate, Mr Zhang Wenjin, a Deputy Minister of Foreign Affairs, referred to "that superpower" and said "hegemonist activities" had escalated and routine slogans of "détente" and "non-use of force" are merely fraudulent rhetoric.

He went on to criticize both the United States and the Soviet Union, saying that because of their military strengths, far surpassing that of any other country, they were "the source of the main threat to world peace".

To prevent a world war, they had to lead the way in drastically reducing armaments. Once this had been done, other nations could join them.

China also believed conventional disarmament should be carried out simultaneously.

Mr Viktor Issaev, the Soviet delegate to the 40-nation committee, said the Chinese views gave no grounds for optimism, being "largely obstructive and anti-Soviet".

Western delegates referred to the tension resulting from the Soviet intervention in Afghanistan. Mr Ole Ullsten, the Swedish Foreign Minister, said the Soviet move had eroded "the basis for peaceful co-operation with the other super power".

With counter-measures being considered, "there is a risk this leads to a process of action-reaction which in the end becomes uncontrollable".

Mutiny charge conscripts jailed in S. Africa

From Our Correspondent
Cape Town, Feb 5

Eight South African national servicemen have been sentenced to terms of between 10 and 15 months' detention for mutiny. They were found guilty at a court martial at Bloemfontein of conspiring to leave the School of Armour there.

Last year more than 100 conscripts went absent without leave from an infantry barracks at Upington in the northern Cape Province. They complained that they were being used to patrol the border with Namibia and had been refused leave to visit their families in South-West Africa, the Angolan border. They were given suspended sentences.

The state President, Mr Marais Viljoen, said in his address to Parliament last week that the mutiny was a "serious challenge to the morale of national servicemen".

Woman and boy die as crowded junk capsizes

Hongkong, Feb 5.—A woman and a boy drowned today when a junk carrying more than 100 Chinese illegal immigrants capsized outside Hongkong harbour. Rescuers saved 112 men, women and children and the search for other survivors continued tonight.

A police launch using searchlights spotted the 150ft junk full of people just before dawn. Many of the women carried children strapped to their backs.

A policeman on the launch said the sea was rough and there were difficulties in getting alongside the junk. A tow line was passed and after 10 minutes of towing the junk was seen to be taking in water.

—Agence France-Press.

Warders search for more victims of US jail riot

Santa Fe, Feb 5.—Warders today searched the debris of a burnt-out gymnasium at New Mexico State Prison for the charred remains of prisoners, many of them put to death by a murder squad of fellow inmates.

Mr Bruce King, the state Governor, told reporters at the fire-blackened prison that bodies had already been found in the cell blocks and he feared the death toll could rise to 50.

Prisoners who survived the bloodbath told officials a murder squad armed with knives, clubs and shovels rampaged through the jail last Saturday night, slashing and murdering other prisoners to settle old scores.

"Some of the victims are unrecognizable," a warden said. "They no longer have faces."

A prison official said that one of the murdered prisoners had apparently been slashed with a knife and then thrown from a balcony, while another had his head almost severed by a shovel.

At least seven prisoners died from overdoses of drugs.

Royal opening for Hongkong's new railway

Hongkong, Feb 5.—Princess Alexandra arrived in Hongkong from London to open officially the new Mass Transit Railway. The opening marks the railway's first link with the Kowloon peninsula and Hongkong island by a mile-long tunnel under the harbour. Officials estimate 1,800,000 passengers a day will use the 23-station railway.

Princess Alexandra's other activities during her nine-day visit include inauguration of the main pumping station of Hongkong's High Island water project and visits to Government housing estates, a Red Cross mobile blood centre and a hospital for handicapped children.

—AP.

Captured white fin dolphin surviving in Chinese pool

By Tony Samstag

A dolphin of a species so rare that a United Nations study of aquatic mammals published two years ago was unable even to estimate its numbers has been captured for the first time, according to New China news agency.

The white fin dolphin is indigenous to the Yangtze river and a few of its tributaries. Also known as the white flag dolphin, it is one of four rare species of freshwater dolphin: the others are found in the Ganges, the Indus, the Orinoco and Amazon river basins.

The dolphin caught by the Chinese earlier this year weighs 132lb and is just under five feet long. In a report from Wuhan, the news agency said the animal was being kept alive at the Institute of Aquatic Biology under the Chinese Academy of Sciences.

In its 1978 report, *Mammals in the Seas*, the United Nations Food and Agriculture Organization (FAO) said "Recent visitors to China were told that the dolphin is very rare, but appears to be recovering under strict protection."

The report recommended that the FAO "encourage protection of this species" and added: "A report is needed from Chinese scientists on its present status, including information on distribution, abundance and ecological relations."

Social Focus

The case for change

The central argument of the supporters of the Abortion (Amendment) Bill is that life begins at the moment of conception and that abortion is killing an identifiable human being.

That is the view of the Society for the Protection of Unborn Children (SPUC), which has almost 30,000 members. Life organization, which has 18,000 members, and the bishops of the Roman Catholic Church, who are taking a more active part in campaigning for this Bill than they did in opposing the 1967 Abortion Act.

The Bill, sponsored by Mr John Corrie, Conservative MP for Ayrshire North and Bute, reduces the upper time limit for abortion from 28 weeks of pregnancy to 20 weeks, changes the criteria so it is harder to obtain and seeks to break the financial link between abortion counselling services run by charities and abortion clinics.

The declared aim of SPUC, which has non-religious members as well as religious ones, is to reassert the principle laid down in the Declaration of the Rights of the Child adopted by the General Assembly of the United Nations on November 20, 1959, that children need special safeguards and care, including appropriate legal protection before as well as after birth.

It states that the number of abortions has rocketed since the introduction of the 1967 Abortion Act. In 1969 there were 112,000 in 1978 and that the ratio of abortions to live births has also greatly increased from one to nine for girls under 20 in 1969 to one to two at present.

It feels that the Act has resulted in abortion on demand being practised in the private sector and in some sectors of the National Health Service. It cites in support of its claim the evidence given in March, 1976, to the second Select Committee on Abortion by Sir John Peel, a former President of the British Medical Association, who said that if abortion on demand was to be

stopped, some modification in the law was essential.

The society says that the predictions it made, before the 1967 Act, have all come true. It said the law would be a licence to print money for the "shady end" of the medical profession, that doctors would be under pressure to do abortions and women under pressure to have them and that abortion would be used to sweep social problems under the mat.

The Life organization insists that the Corrie Bill will not result in an increase in illegal abortions because it will still allow abortions for women in real need. Moreover, the caring work which Life's 200 local groups now carry out will provide the necessary support so women will not be forced to choose abortion.

The Roman Catholic Church's opposition to abortion was stated forcibly in a statement issued last month on behalf of all the Roman Catholic diocesan bishops of England, Wales and Scotland.

In Roman Catholic moral theory, it is always wrong to take innocent life. The bishops said, in their statement, that the vast majority of abortions carried out in Great Britain "represented a massive and growing trivialization of human life, an increasing acceptance of the practice of killing on demand".

Opinion within the other churches is divided. A group called Christians for Free Choice, which includes many non-conformists, takes the view that it should be up to a woman's individual conscience while the executive committee of the Church of England's General Synod Board for Social Responsibility, however, said, in a statement last week, that abortion was always an evil to be avoided if possible, and could only be justified when a woman's life or health was seriously threatened.

Why the law should stay

Three main arguments are put forward by the opponents of the Bill. First they claim that the Bill will lead to a return to back street abortions and an increase in maternal deaths from septicemia.

That point has been made particularly strongly by members of the medical profession. A letter to *The Lancet* signed by 70 leading doctors, surgeons and professors of obstetrics and gynaecology last week pointed out that only due to illegal abortions in 1973-75 compared to 98 out of 579 in the years 1964-66.

The medical and surgical Royal Colleges have all come out against the main provisions of the Bill, although some have been in favour of lowering the upper time limit of abortion from 28 to 20 weeks.

Second, the Bill's opponents say that the Bill will turn the clock back to the days before 1967 when middle-class women were able to obtain abortions for medical-social reasons in private clinics but that the facility was not available to the poor.

Mr William Hamilton, Labour MP for Fife Central, one of the MPs who opposed the Bill in its committee stage, condemned it as a "class measure" for that reason saying it would affect the factory girl and the typist but not the Duchess.

Third, they take the view that no woman should be forced to have a baby that she does not want and that the rights of the mother are greater than those of the foetus.

They insist that they are not in favour of abortion, but in favour of allowing the woman a choice. Christians for Free Choice, in particular, hold the opinion that it is between a woman and her conscience.

The group of church persons include Lord Soper and the Rev Chad Varah, founder of the Samaritans, sent a letter to all MPs last week saying: "We believe abortion to be essentially a matter for individual conscience, and though Christians may condemn abortion for themselves, it is morally wrong to create

laws making it harder for others to obtain it. This is confusing 'morality' with 'legality'.

The campaign against the Corrie Bill has been led by the Co-ordinating Committee in Defence of the 1967 Abortion Act, which was set up in 1976 with 16 founder members. It now has more than 50 member organizations, including the main abortion charities, the Abortion Law Reform Association, the National Abortion Campaign, Christians for Free Choice, Tories for Free Choice and Doctors for a Woman's Choice on Abortion.

Mrs Madeleine Stimson, chairman of the committee said that the Abortion Act had resulted in a reduction of maternal deaths from abortion and an increase in the proportion of abortions carried out early in pregnancy.

Most of the opponents of the Bill would prefer to see more use made of contraception so that unwanted pregnancies were fewer, but it was the Roman Catholic Church, which supported the Bill, which was ambiguous over the use of contraceptives.

The committee did not have a collective view as to when a foetus became a human life but it stood by the 1967 Act. That did not lay down when abortion would be considered infanticide but referred to the provisions of the Infant Life (Preservation) Act, 1929. The latter made it illegal to destroy the life of a child capable of being born alive and laid down that if the mother had been pregnant for 28 weeks, there was *prima facie* evidence that the child was viable.

Mrs Stimson said that the supporters of the Corrie Bill insisted that their chief concern was the sanctity of life and yet the Conservative Party Bill, one measure which would save thousands of lives this year was being cynically imputed in its committee stage by supporters of the Corrie Bill who did not want to see it come into committee and compete for parliamentary time with the Abortion (Amendment) Bill.

The debate on the Bill is to take place on Friday.

Annabel Ferriman

Free choice of schools will be costly

If the Government's assisted places scheme has provoked more indignation than it deserves, the Education Bill, its plan to allow local authorities to charge what they like for school transport, has probably lost it most votes. It is the Conservative counties which are most seriously affected.

The flare-up in the respectable solidly Tory county of Kent is the most recent manifestation of the anger and genuine bewilderment felt by parents faced with school charges of, in Kent, £3.50 a week a child. Increases in school meal charges they can accept: a child can always take sandwiches. But how is he to get to a school many miles from his home if he does not take the school bus and if his parents do not have a car.

It is true that most families living in the country own a car, but that is usually used by the father to get to his work. Also in many families, both mother and father are working and would find it impossible to pick the child up from school in the middle of the afternoon.

Charging for school transport makes a mockery of the Government's policy also included in the Education Bill to give parents, as far as possible, a free choice of school for their child. You can choose the school all right but what if you cannot afford to pay the fare?

It will also make it far more difficult for local authorities who are trying to close village schools where rolls are falling or where "rationalization" of primary school provision is needed to allow additional budget savings to be made. In the past, hostile parents have been able to be smothered with the promise of free transport to the next nearest school.

And what of the metropolitan area which has carefully worked out a jigsaw puzzle of catchment areas so as to ensure a balanced social and ability intake into its comprehensive schools? The child living next to a secondary school, but just the other side of the

catchment area dividing line, is at present bused free to a more distant school.

Will parents continue to comply with such a system when faced not only with inconvenience but also a new cost? Will they not make use of another provision in the Education Bill—namely, the new appeals procedure (with all the additional public expense and administrative havoc that will involve) to try to go to their nearest school?

The level of truancy, particularly where it is condoned by parents, might well rise in areas where school transport charges are made.

The Roman Catholic Church, which sets so much store by educating its own children, is particularly worried about the effect of the charges on its schools. Although there is at present no statutory obligation on local authorities to provide free transport to children who choose not to go to the nearest county school, in practice most authorities have done so for Catholic children attending Catholic schools.

Non-Catholic and other children attending denominational schools will be faced with the same charges as children attending maintained county schools. The Catholics, with their far-flung schools, should be pleased to note that so far all authorities are planning to charge a flat-rate fare, and not one related to distance.

But Catholics nevertheless stand to suffer disproportionately both because of the high proportion of children living beyond walking distance from the school (more than 80 per cent of pupils at schools like St Anselm's in Canterbury and St Bede's in Lancaster now use free transport), and because Catholics tend to have larger families.

Great pressure was put on the Government to introduce an amendment stipulating that no more than two children in any one family would be charged for school transport. But although this could still be introduced in the report

stage of the Bill, due to begin next Tuesday, it is considered unlikely.

Several authorities have already decided not to charge more than two children per family: Salop, Hampshire, Staffordshire, Cumbria, Cheshire, and East Sussex. But no limit on numbers is so far being planned by Kent, Gloucestershire, Buckinghamshire, Essex, Powys, or Inner London.

The Government is likely to give way during the report stage to another plea to compel authorities to charge a flat-rate for school transport without discriminating on grounds of distance or denomination.

That would make illegal the present arrangements in Cornwall under which pupils at Catholic schools are charged for transport while those attending non-denominational county schools and living beyond the statutory walking distance (two miles for those under eight, and three miles for those eight and over) go free.

It would also make illegal schemes such as that originally proposed by mid-Glamorgan, under which pupils attending denominational or Welsh-language schools were to be charged almost double the fare charged to pupils attending other maintained schools. Mid-Glamorgan has since decided to abandon the whole idea of charging at all.

However, it would not prevent counties like Oxfordshire from going ahead with its plan to cease to provide transport for all new entrants to denominational schools from September, 1981.

Faced with the innumerable difficulties involved in levying new charges, many authorities have decided to continue to make no charge at all for pupils living beyond walking distance. That applies to Mid-Glamorgan, Devon, Dorset, Avon, Cornwall, Lincolnshire, Northumberland (though it plans to introduce a flat rate fare in September, 1981), Newcastle, Gateshead, North Tyneside, South Tyneside, Sheffield and Manchester.

However, they will have to find the required savings in other parts of their education system, or increase the rates. Some authorities, like Manchester and Dorset, may well change their minds about not charging for inflation and wage settlements look as if they will rise above the 13 per cent allowed for by the Government in its rate support grant.

Most authorities are proposing to charge around £1 to £1.50 a week per child: Staffordshire (£1.25), Cumbria (£1), Buckinghamshire (£1.50), Cheshire (£1), LEA (£60p). Some are charging a lower rate, or nothing at all for primary pupils: Salop (50p primary, £1 secondary), Hampshire (nothing primary, £1.50 secondary), Essex (£1 primary, £1.50 secondary), East Sussex (nothing primary, £1.75 secondary), Gloucestershire (nothing primary, £1.5 a term secondary).

By law, all authorities will be required to allow children from families on Family Income Supplement or Supplementary Benefit to travel free. This led Mr Michael Foot (Labour MP for Ebbw Vale) to describe the Education Bill, not inaccurately, as the "Poverty Trap Extension Bill".

A few authorities like Salop and Staffordshire are planning rather more than those on FIS or RB to travel free in an attempt to avoid widening the gap between the poorest and those just above the poverty line.

The Government hopes that authorities will be able to make savings in the next financial year of £20m on the total school transport bill of £125m. It believes that it is far better to make savings in areas like school transport and school meals than to have to cut provision in the classroom. Many parents believe there is a third alternative: an increase in income tax or the rates.

Diana Geddes
Education Correspondent

Children's Books

In this column last month I set out some evidence for a peculiar apathy towards books. The article met with some scattered cries of incredulity. After all, who, if not teachers, are the custodians of literacy? But when I pointed out that it was the intensity of their response to books that was at issue, and not parroting about "the value of reading", I found myself accused of an "elitist" regard for the printed word. Milton? "A potency of life" in books? Not only elitist, forsooth, but mystical as well.

I am inclined to think that Cusla Yeoman is all that we need by way of an answer to the lack of engagement or the dim utilitarianism implied by those charges. She is an eight-year-old whose home is near Auckland, New Zealand and an account of her woe-begone early life was published last year by her grandmother, Dorothy Butler: *Cusla and her Books* (Hodder and Stoughton £3.95).

After Cusla was born on December 18, 1971, it soon became clear that she was not to enjoy a normal babyhood. From an attack of jaundice at birth through a whole series of worrying ailments during her first four months of life, it came to be deduced that she might be suffering from some kind of brain disease. There were a variety of physical disorders—asthma, eczema, a small hole in the heart, a blocked kidney—and to these were added even more problematic difficulties relating to extreme weakness and lack of control in her arms and to a lack of coordination of sight and physical movement.

One advantage that Cusla did have, however, was a family of quite extra-

A love of books that can be taught

ordinary courage and tenacity. Her young parents seem, from the start, to have refused to accept anything but the most precise diagnoses of their daughter's ailments and from the time that Cusla was a week old onwards they devoted themselves to a way of life that was primarily designed to assure her—behind the mist of her own cognitive feebleness—that they were fighting with her. (That sounds dramatically heroic, but when you read Dorothy Butler's account of their months of daily and nightly vigils, comforting an ill and fractious baby, you realize that it is an altogether more dogged courage—the sustaining of a perverse, humane optimism in the face of conditions that make only for deeper depression.)

Given such love and determination it is moving to read how it gained its triumph. Against odds that don't seem to have been much reduced by the attitude of the medical profession, Cusla's parents won through first to the discovery that her handicap stemmed from genetic and not cerebral causes, and secondly to a complete justification of their close involvement with her at all times—and it is in the course of this involvement that books claim such a crucial part.

During the stress and confusion of Cusla's first few months of life her parents turned to books as one means towards giving her something to focus on—as well as giving themselves a link to something beyond, but touching, their baby. Nursery rhymes and poems were read and sung (how nice to find so early and so slightly a response to "The Owl and the Pussycat"). Pictures were looked at (the

large, stylized drawings of Dick Bruna for instance). Pages were turned and scrutinized, and books, simply by their physical form, built up a sense of continuity within change.

To a child for whom so much of outside experience was intangible or a blur of ill defined movement the varied world of books proved to be a source of intense satisfaction. It is fascinating to read of Cusla's highly individual mode of coming to terms with them—her reactions to their visual stimulus (because of her difficulties in eye-focus she was often drawn to the shape of printed letters as much as to pictures) and the parts they played in encouraging her towards the refining of her sense of touch and manual control.

Above all though, it was as a source of language that Cusla's books proved so vital—at once as raw vocabulary and as a means to master and give pattern to experience. As Dorothy Butler charts the little girl's development from retarded baby to confident child one marvels at the degree to which the love of her parents and the "extended family" around her has been reinforced by the secondary life that she has gained from stories (the comedy of John Burningham's *Mr Gumpy's Outing*, the catastrophe of *Three Billy Goats Gruff*) and the relief for language richly used. This is the most impressive for the coolness of Dorothy Butler's account and its dispassionate documentation—no grandmotherly gush here, but the working up of a thesis submitted for the diploma of education at the university of Auckland.

It can, of course, be argued that all this amounts to a very special case. Here is a handicapped child who is at the

centre of a caring family—which is moreover deeply knowledgeable about books (Dorothy Butler is a leading children's bookseller in New Zealand). But—despite egalitarian reductionism—it must be said that all children are, in their way, special cases and that for them, as for Cusla, there is no substitute for the adult as a "human link" to the enrichment that comes from books.

Corroboration of this point comes usefully to hand in another recent publication, a pamphlet by Jill Bennett called *Learning to Read with Picture Books* (Stroud: The Thimble Press, £1.20). Here an experienced infant teacher from London explicitly confirms Dorothy Butler's view that the enjoyment of reading stems not from dull, schematic processes—the stuff of training college lectures—but from the cheerful sharing of language "natural to the human state".

Her pamphlet is, in effect, a booklet with long, conversational annotations, charting one course across an ocean fairly teeming with possibilities—from such simple, wordless playbooks as John Goodall's *Creepy Castle* to extended picture stories like James Stevenson's *Could be Worse*.

There is nothing prescriptive about the list—it is just the books that work for Mrs Bennett and the lucky children that she teaches. It is also, though, as good a general proof as one needs of the pleasures that can flow from an informed bibliography.

A touring exhibition based on *Learning to Read with Picture Books* may be hired from the National Book League, 7 Albemarle Street W1X 4BB.

Brian Alderson

مكتبة الأطفال

No quibble with the changes—just the number

Whenever Mc Greenwood is tackled about alterations he strongly resists suggestions that the band should return to the style of Don Rennie's discordant musical chairs. He believes that if a band is chosen from under the umbrella of the party that does not count, it will be a waste of money. In the four successive matches since September he seems to be setting the record of when is a change too soon.

[illegible]

When Baron de Coubertin proposed the revival of the Olympics at the end of the last century, he believed they could further the cause of international understanding, brotherhood and peace. Two world wars and a host of political squabbles within and outside the Games show that aim has scarcely been achieved—except perhaps on a personal level between athletes.

Athletes—used in the widest sense, as the Olympic programme came to include wrestling, boxing and equestrian events as well as track and field—was a specialized business. There were professional trainers and manuals on coaching; athletes had special diets and were recommended a moderate, even sedentary, way of life and in the last years the Games the athletes had their own specialists.

Much of the appeal of the modern Olympics comes from the women's events, but in the ancient Games not only were women barred from competing, they were

Thoroughly ancient misses : Greek actresses posing as maidens during the traditional ceremony of the lighting of the Olympic flame, entering the ancient stadium of the former city—state of Olympia.

men even permitted to watch—except serapists for a particular priestesses. In the exclusion of women Olympia eventually stood quite a sensation in 404 B.C. when the first woman in the history of the Olympic Games was the judge of the boxing, she went disguised as a trainer. She was so excited when he won that she leapt over the fence and embraced her son. Out of respect for her family of Olympic victors, the judges let her off; but, always ready with an excuse, the judges refused that trainers as well as contestants should be naked in the stadium. Like all good things the ancient Olympic Games came to an end. The date is not certain—between A.D. 393 and 400. The ancient athletic games and their background of pagan religion were incompatible with the Christian philosophy in vogue at the time. The Olympic Games were revived in the nineteenth century that the Olympics were revived—thanks to a Frenchman inspired by the music of the English composer, Sir Francis Sullivan.

[illegible]

Latest European snow reports

	Depth (cm)	Conditions	Runs to resort	Weather (5 pm)
Anderpatt	80 250	Fair	Heavy	Snow
All powder spoiled by rain				
Courmayeur	320 390	Fair	Crust	Closed
High winds, some lifts closed				
Grindelwald	120	Fair	Heavy	Poor
Slush on lower slopes				
Isola 2000	130 165	Poor	Heavy	Poor
Lifts closed by high winds				
La Plagne	130 240	Fair	—	Rain
Rain for 24 hours				
Murren	55 120	Poor	Heavy	Good
Wet snow on most runs				
St Anton	120 310	Poor	Heavy	Poor
Wet snow, most runs closed				
Seefeld	40 95	Poor	Heavy	Poor
Heavy but slushy snow				
	11. 310	Fair	Heavy	Fair
				Thaw

[illegible]

Suspension: Phil Holder, the Bournemouth mid-field player, picked up a two-match ban at yesterday's FA disciplinary meeting for passing the 20pt mark. He misses the trip to Halifax Town and the home game against Tranmere Rovers. Ian Cunningham, his teammate, misses the Halifax game after being banned for one game. Both can play at Wigan tonight.

of Rugby League on his canvases, reflecting every individual aspect of the trade.

Brady trained at St Helens School of Art, graduated to Winchester School of Art in 1975 and gained a Bachelor of Arts degree in 1978. In 1979 he was supported by local companies and trusts in an exhibition called "The Spirit of St Helens".

His brief is to portray events during the current season, culminating in the Challenge Cup Final at Wembley in May. "The idea behind the project is unique", the artist said. "I hope to do a series of paintings which will show the passion, excitement, mess, humour, skill and character of this great game."

Two new laundries found for satellite

There will be no senior Sutton tennis tournament this year as the annual spring championships at the Paddington Club in London will not form part of the Trophée d'Europe circuit. Instead, two new sites have been chosen for the £70,000 satellite circuit—the Lensbury Club, Teddington, and Stourbridge.

also not being played this year and doubts surrounding the Surrey grass-court championships at Surbiton, the Trophée Pernod circuit provides the backbone of the sport's pre-Wimbledon structure.

[illegible]

By Gordon Allan

St Mary's 45 Charing Cross 0

St Mary's, the holders, are carrying on where they left off in the Hospitals Cup competition. Last season they scored 47 points against Royal Free, 24 against St Bartholomew's and 49 against Westminster in the replay of the final. At Cobham yesterday Charing Cross were the lambs to the slaughter. St Mary's just missed 50 again, and qualified for a semi-final against the London at Richmond.

McKibbin, the Irish international centre, and Alun Lewis, the London Welsh scrum half, were absent from the St Mary's team but any notions that this might give Charing Cross a chance were soon dispelled. The wind was behind them with the wind behind them in the first half and scored 21 points. In the second, wind or no wind, the three forwards of the Charing Cross line was just as heavy.

The forwards pushed Charing Cross all over Cobham in the first half and the losses were nearly as profitable. Behind them Ralston, the Rosslyn Park back, was presented with time and space to decide to take a leisure whether to pass or kick, and if Greenhalgh another Rosslyn Park player, failed to turn more than two tries into goals, the half-century would have been a routine achievement.

Charing Cross came storming against the tide from first to last, and their best forward was drowned with the tide. The twenty-two-year-old Jackson, who had previously scored the St Mary's halcyon kicked two tries in the first half.

It is hard to see winning the cup for the seventh year. The next day's game will be a large wage bill at the next Tuesday.

ST MARY'S HOSEBALL TEAM:
A. Thompson; G. Laidlaw; J. Brown; A. Hamilton; S. McMillan; J. Macdonald; W. Muirhead.
CHARING CROSS:
J. Scott; D. Smith; I. Macfarlane; J. Reid; J. Muir; B. Brindle; J. Muir; J. Muir; J. Muir.
Referee, G. Howell.

England from April 21 to May 24. The first four tournaments were at Lensbury club, Teddington (starting April 21), Snonbridge (April 28), and Wokingham (May 5) and the last at the Grosvenor Club, on Solihull (May 12). From this the top 16 men and 16 best women will compete in the first round of the tournament at Bournemouth (May 21).

Leonard's purse would be for a bout with Duran, who is a former world champion. Duran and Silvestro ranked No 1 welterweight combination. If Mr Elela did not accept the offer, Mr Arnesen said, he was considering a title defence against either Jose Cuevas, the World Boxing Association welterweight champion, or Wilfredo Ramirez, the former WBC champion, in May or June.

Tony Sibson has moved from one day after his fight with the wily Silvestro meets Clive Zambia, for the middleweight title. Wembley Arena will host Giovanni Campi, who is the official European flyweight champion, the ZBU announce.

"We have entered into a contract with welterweight champion Sugar Ray Leonard to promote his next title defense," Mr. Arum told Carlos Eleta. Duran's manager. Leonard defended his title against Dave (Boo) Green, of Britain, on March 14 probably in London, Maryland.

Mr. Arum did not say what Leonard's purse would be for a bout with Duran, who is former world champion. Leonard is ranked No. 1 welterweight contender. If Mr. Eleta did not accept the offer, Mr. Arum said, Leonard was considering a defense against Jose Cuevas, of the World Boxing Association lightweight champion, or Wilfredo Benitez, the former WBC champion, in May or June.

Tony Sibson has moved from 32 wins in 35 contests. It was expected he would continue to train in England, but he has returned home and removed to the capital. He was in London minutes from a fight with John Kennedy and had an even score with the British on one day after a 10-round loss later to the wily Sibson meets Chile's Zambra, for the welterweight middleweight Wembley Arena card. The Canadian is the official referee. Charlie Magri, European flyweight, the EBU announced. Agencies.

The match lasted five minutes before a point was scored, giving Leslie a 1-0 lead over Norman. The fronton between two men with Christian names for surnames. In the game, Norman managed to mask his intentions on the court and even played a corkscrew hit. Yes, he knew a few tricks. But he made as many times as many errors as Leslie.

The only change in the second game was that Norman took more time to think. He was not as quick as in the first game, but he was less attentive to the increasingly searching questions Leslie was asking.

At 5-5 down in the third game, Norman decided to go for the

By Sydney Friskin
The Masters snooker tournament, sponsored by Benson and Hedges, could not have made a

It was a match which demanded the utmost in skill and concentration. Thorburn, the master of the game, was in his masters in their own right, but neither really the master of the game nor the master of the match that he was not particularly satisfied with his play and that he thought that this crucial match was the very last he would play, and he had not had time

had not beaten him. The score at the interval yesterday was two frames to one in Thorburn's favour. On his return to the resumption the frame score was 3-3, Thorburn having retained possession of the ball in all manner of trouble. Both players had exorcised themselves from difficult situations.

"The match continued until a concentration on the more congested area at the top of the table where the black ball was

after a break of 35. But Thorburn won the next three frames in which he broke twice. In the seventh frame, to which Virgo replied with a break of 67, he had broken 100 times at his brilliant best with a break of 71, clearing all the colours after reporting the last red.

J. Virgo (England) 68—35, Frank
H. Thompson (Canada) 69—35,
W. S. 68—70, 50—71, 73
69—46, 68—35.

Latest European snow reports

	Depth (cm)	Conditions	Off Piste	Runs to resort	Weather (5 pm)
Andermatt	80 250	Fair	Heavy	Fair	Snow
All powder spoiled by rain					
Courmayeur	320 390	Fair	Crust	Closed	Snow
High winds, some lifts closed					
Grindelwald	40 120	Fair	Heavy	Fair	Thaw
Slush on lower slopes					
Isola 2000	130 165	Poor	Heavy	Poor	Fair
Lifts closed by high winds					
La Plagne	130 240	Fair	—	—	Rain
Rain for 24 hours					
Murren	55 120	Poor	Heavy	Good	Cloud
Wet snow on most runs					
St Anton	120 310	Poor	Heavy	Poor	Rain
Wet snow, most runs closed					
Seefeld	40 95	Poor	Heavy	Poor	Rain
Heavy but slushy snow					
Zermatt	11 310	Fair	Heavy	Fair	Thaw
Avalanches, most runs closed					
In the above reports, supplied by representatives of the Ski Club					
Great Britain, U refers to lower slopes and U to upper slopes. T					
following reports have been received from other sources:					
NORWAY					
GERMANY	Depth (cm)	Slope	Weather		
Barchtegaden	100	Piste	Fine	120	Good
Garmisch	100	Piste	Fine	80	Good
Hochgurgel	35 80	Piste	Go	80	Good
Hinsfjorden	30 50	Piste	Go	100	Poor
Kleinwalsertal	100 180	Worn	Liebehammer	100	Good
Merano	30 50	Piste	Norsetil	90	Clear
Oberstdorf	30 40	Poor	Oslo	90	Good
Obernurschdorf	30 40	Poor	Shaken	60	Good
Obertauern	40 90	Poor	Voss	140	Good

Tennis.

Two new lawns found for sat

There will be no senior Sutton tennis tournament this year due to the annual spring championships at the Paddington Club in London will not form part of the British Federa circuit. Instead, two new sites have been chosen for the 270,000 satellite circuit—the Lansbury Club, Teddington, and Stourbridge.

The increased sponsorship means that the men's senior of the circuit rises in classification. It rules out Teddington because of accommodation difficulties.

The traditional Sutton tournament, staged for 56 years apart from a one-year break in the mid-seventies, when the main courts were being relaid, will not be held as the club has no new lawn. A tournament scheduled for about the same time. Attempting both would have posed enormous administrative problems.

At the Guildford tournament, also not being played this year, and doubts surrounding the Surrey grass-court championships at Wimbledon, the prospects for the sport's pre-Wimbledon structure is

Boxing

Duran offered £1m to beat Arum to meet Leonard

Bob Arum, the American promoter, has offered Roberto Duran, of Panama, \$1m to box Sugar Ray Leonard, of Las Vegas, in the World Boxing (Council) welterweight champion. Mr Arum proposes that the match be held in May or June.

If we have entered into a contract with welterweight champion Sugar Ray Leonard to promote his next title defence after the Davey Gray fight, says Arum, then Carlos Eleza, Duran's manager, Leonard defends his title against Davey (Boy) Green, of Britain, March 31, probably in Landsdown, Maryland.

Mr Arum did not say what Leonard's purse would be for a bout with Duran, who is a former world lightweight champion and is ranked No 1 welterweight contender. If Mr Eleza did not accept the offer, Mr Arum said, Leonard was considering a title defence against either Jose Cuevas, of the World Boxing Association, or the world champion, or Wilfredo Gomez, the former WBC champion, in May or June.

Tony Sibson has moved from Leicester to London, his chances of a win in boxing. Sibson, best piece of raw talent in Britain today, aged before his career stretching and a half, won 32 wins in 35 con-

It was expected to continue to train but Sibson has been in London today the capital. He minutes from a London with John Kennedy an

He had an even won the British one day after his birthday and lost later to the wily Sibson meets Cl Zambino, for the wealth middleweight Wembley Arena C Giovanni Camp was the official Charlie Magri. European flyweight the RBU announce Agencies.

England from April 21 to May 24. The first four tournaments are at Lensbury club, Teddington (starting April 21), Stourbridge (April 28), West Wottring (May 5) and 1-2-3-4-5-6-7-8-9-10-11-12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-32-33-34-35-36-37-38-39-40-41-42-43-44-45-46-47-48-49-50-51-52-53-54-55-56-57-58-59-60-61-62-63-64-65-66-67-68-69-70-71-72-73-74-75-76-77-78-79-80-81-82-83-84-85-86-87-88-89-90-91-92-93-94-95-96-97-98-99-100-101-102-103-104-105-106-107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200-201-202-203-204-205-206-207-208-209-210-211-212-213-214-215-216-217-218-219-220-221-222-223-224-225-226-227-228-229-230-231-232-233-234-235-236-237-238-239-240-241-242-243-244-245-246-247-248-249-250-251-252-253-254-255-256-257-258-259-260-261-262-263-264-265-266-267-268-269-270-271-272-273-274-275-276-277-278-279-280-281-282-283-284-285-286-287-288-289-290-291-292-293-294-295-296-297-298-299-300-301-302-303-304-305-306-307-308-309-310-311-312-313-314-315-316-317-318-319-320-321-322-323-324-325-326-327-328-329-330-331-332-333-334-335-336-337-338-339-340-341-342-343-344-345-346-347-348-349-350-351-352-353-354-355-356-357-358-359-360-361-362-363-364-365-366-367-368-369-370-371-372-373-374-375-376-377-378-379-380-381-382-383-384-385-386-387-388-389-390-391-392-393-394-395-396-397-398-399-400-401-402-403-404-405-406-407-408-409-410-411-412-413-414-415-416-417-418-419-420-421-422-423-424-425-426-427-428-429-430-431-432-433-434-435-436-437-438-439-440-441-442-443-444-445-446-447-448-449-450-451-452-453-454-455-456-457-458-459-460-461-462-463-464-465-466-467-468-469-470-471-472-473-474-475-476-477-478-479-480-481-482-483-484-485-486-487-488-489-490-491-492-493-494-495-496-497-498-499-500-501-502-503-504-505-506-507-508-509-510-511-512-513-514-515-516-517-518-519-520-521-522-523-524-525-526-527-528-529-530-531-532-533-534-535-536-537-538-539-540-541-542-543-544-545-546-547-548-549-550-551-552-553-554-555-556-557-558-559-560-561-562-563-564-565-566-567-568-569-570-571-572-573-574-575-576-577-578-579-580-581-582-583-584-585-586-587-588-589-590-591-592-593-594-595-596-597-598-599-600-601-602-603-604-605-606-607-608-609-610-611-612-613-614-615-616-617-618-619-620-621-622-623-624-625-626-627-628-629-630-631-632-633-634-635-636-637-638-639-640-641-642-643-644-645-646-647-648-649-650-651-652-653-654-655-656-657-658-659-660-661-662-663-664-665-666-667-668-669-670-671-672-673-674-675-676-677-678-679-680-681-682-683-684-685-686-687-688-689-690-691-692-693-694-695-696-697-698-699-700-701-702-703-704-705-706-707-708-709-710-711-712-713-714-715-716-717-718-719-720-721-722-723-724-725-726-727-728-729-730-731-732-733-734-735-736-737-738-739-740-741-742-743-744-745-746-747-748-749-750-751-752-753-754-755-756-757-758-759-760-761-762-763-764-765-766-767-768-769-770-771-772-773-774-775-776-777-778-779-780-781-782-783-784-785-786-787-788-789-790-791-792-793-794-795-796-797-798-799-800-801-802-803-804-805-806-807-808-809-810-811-812-813-814-815-816-817-818-819-820-821-822-823-824-825-826-827-828-829-830-831-832-833-834-835-836-837-838-839-840-841-842-843-844-845-846-847-848-849-850-851-852-853-854-855-856-857-858-859-860-861-862-863-864-865-866-867-868-869-870-871-872-873-874-875-876-877-878-879-880-881-882-883-884-885-886-887-888-889-890-891-892-893-894-895-896-897-898-899-900-901-902-903-904-905-906-907-908-909-910-911-912-913-914-915-916-917-918-919-920-921-922-923-924-925-926-927-928-929-930-931-932-933-934-935-936-937-

ference Room yesterday. After a tense battle of attrition, Cliff Thorburn, of Canada, defeated John Virgo, of England, by five frames in three. Thorburn will now meet the champion, Terry Griffiths, of Wales, in the quarter-final round.

It was a match which demanded that the players in mind and concentration from each player, both masters in their own right, but neither really the masters of the game. The match was a close one, a match that he was not particularly satisfied with his play and that he thought that this crucial match had come upon him a little too soon, and he had not had time to settle down to a new battle.

Despite having fought back from 3-2 down, Thorburn said that he lacked the "killer instinct." He was far forward in the match with Griffiths and took some comfort from the fact that Griffiths, whom he had met twice before, had not beaten him. The score at the interval yesterday was two frames all. About an hour after the resumption the frame score was 2-2, with Griffiths leading.

Thorburn stored the balance after running into all manner of trouble. Both players had exorcised themselves from difficult positions.

The pattern was set early with, a concentration on the more congested area at the top of the table where the black ball was

useful break of 35 and there followed a period of caution with the black hanging precariously over one of the top pockets. It was eventually knocked in. Thorburn's break gave away several points. Still, after Thorburn had potted the last red the score stood only 2-36 in favour of Virgo, who ended the frame with the brown, blue and the pink.

From that moment Thorburn was in a steady climb. He led 72-22 at the interval. At the end of all the reds had gone and after Virgo had scored on the yellow, Thorburn had a lead of 100-22. More than the value of the three balls left on the table. When he set the blue unintentionally into the pocket, conceding the frame.

A break of 35 in the third frame virtually sealed it in favour of Thorburn, but Virgo came back in the fourth with a break of 35 to win it easily.

The fifth frame could have gone either way. It was evened eventually by Virgo, who made sure it with a brilliant shot on the potted a break of 35. But Thorburn then the three balls on the row. He had breaks of 30 and in the seventh frame, to which he added a break of 35.

But in the eighth, Thorburn was at his brilliant best with a break of 71, clearing all the colours after potting the black.

SCORES: C. Thorburn (Canada) vs. J. Virgo (England) 5-3. Frame scores: 35-22, 22-72, 35-22, 35-22, 35-22, 71-35, 72-22, 35-22.

LAR TO HANDELOFF: Early Fashion
Journalism. Unit 17 February
1dm. Dcs. INGRES. Dcs. INGRES
Unit 24 February. Adm. 24
Weeks. 10-30. Adm. 2-30-30
Closed. 1954

Bernard Levin on why the Olympic Games should be moved from Moscow

How the IOC helped to tear up its Charter

When President Carter, promptly supported by Mrs Thatcher, made his call for the removal of the Olympic Games from Moscow, or failing that for a boycott, two separate quavering choruses were to be heard opposing the idea. One applauded the spirit of the proposal, but declared that it was impracticable: that the time was too short for another crisis, or even a group of cities, to be selected as an alternative venue, that a boycott, to be effective, would need to involve a substantial number of nations, which substantial number would never be willing, that in any case such action would not really upset the Soviet rulers.

This party has, understandably, begun to fall silent; already, the most reliable counts suggest, some 40 nations have indicated their willingness to be part of a joint international move, and these include, in addition to the United States and Britain, a substantial number of countries, including Australia, Canada, Kenya, Japan and China, whose athletes stand very good chance of winning medals. Obviously, a great deal of diplomacy is going on in private, and the number of countries willing to join a collective boycott or transfer must be growing. And certainly the increasing public rage of the Soviet authorities suggests that they realize very well indeed what a blow the collapse of their plans for a huge propaganda victory would be to them, both externally and internally (to say nothing of vast sums in the western currencies they so desperately lack).

As for the argument that no other city could be ready in time for the summer Games, I have never thought there was anything in it; given sufficient cash resources (it would be a shrewd move on the part of President Carter to announce that the United States would underwrite the cost of transport for the Games and the effort (Montreal, where the 1976 facilities are still largely intact, certainly has the knowledge and skill to do it again), the mountain could be moved, and if it were decided to split the Games among several cities, the television linking that would bring them to the international audience (in any case several hundred times as many as would watch the Games "live" wherever they might be held) could be arranged.

It can be done, there have already given my own reasons, a few weeks ago, for saying that it

should be, and I do not intend to repeat them today. Instead, I want to examine the other chorus, the one whose members sing not of the difficulty of depriving Moscow of the Games, but of the impracticability of letting politics interfere in sport. This foolish and empty claim is made chiefly by Lord Killanin and Exeter, both implacably determined not to allow anyone to do anything to the Olympics that might displease the Soviet Union, and in this aim they are fully, indeed abjectly, supported by the Chairman of the British Olympic Committee; apparently, we may say, and Sir Denis Follows.

Before I go into detail, let us consider first the vast impudence of the argument. In the Soviet Union every aspect of life, public and private, is subordinated to the demands of politics; indeed, this principle is fundamental to the very definition of itself that the Soviet Union proclaims. Not a word may be legally published, not a school class may go through its lessons, not a Soviet Union leader may go abroad, unless their activities and indeed their very intentions conform at all points with the political demands of the state.

In no field of Soviet life is this principle applied more intensely or more completely than in sport. All Soviet athletes are constantly reminded that they are part of the Soviet state, that the principle of Soviet Communism demands that their activities are directed towards the furtherance of its aims, that they compete not for personal achievement (which indeed is condemned), but in service to the political goals of the Soviet Union. And in no aspect of Soviet sporting life is this principle more rigidly applied or more frequently insisted upon than in that of Olympic participation.

There is no nation in the world—not even, since the dismantling of Mao's China, from behind the Chinese Olympic athletes are without qualification obliged to be the servants of their country's politics to the extent that obtains in the Soviet Union. Many nations, of course, strive to gain international political prestige from the performance of their Olympic athletes; only in the Soviet Union and the lands of her empire is this so nakedly and



The cuddly bear emblem of the Moscow Games: what about the Olympic spirit?

so unwaveringly the only purpose of participating in the Games. And yet we hear from Killanin, Exeter and Follows the same ludicrous claim that to boycott the Moscow Games, or to take other sanctions against them, would be to bring politics into Olympic sport, as a man might say that tossing a packet of Saxe overboard in the middle of the Atlantic would be bringing salt into the sea.

Driven out of that claim, however, the apologists for the participation by the West and the Third World in these wholly politicized Games will fall back on their next line of defence; that the Soviet Union was awarded the Games on proper Olympic criteria, that she has so far obeyed and gives every sign of continuing to obey, the stipulations required from the host country, and that there is therefore a legitimate ground on which the Games can be withdrawn from Moscow, or indeed on which other nations may refuse to participate.

That claim is even more impudent, and even more lacking in substance or even truth, than the first one. The truth is that, under the terms of the Olympic Charter itself, Moscow should never have been awarded the Games and is not entitled to have them; indeed, the Soviet Union is barred from even participating.

To start with, the Soviet Union is in breach of no fewer than three of the Olympic Charter's "Fundamental Prin-

ciples". Number One of these declares that Olympic participation is supposed "to educate young people through sport in a spirit of better understanding between each other and of friendship, thereby helping to build a better and more peaceful world". The Soviet Union does not even pretend to follow this injunction, its Olympic effort being entirely directed to the glory of Soviet Communism.

Number Three of the Fundamental Principles lays down that "No discrimination in them [the Olympic Games] is allowed against any country or person on grounds of race, religion or politics". No Soviet athlete who showed the slightest deviation from the policies of the Soviet state would be permitted to compete in the Games, whether in Moscow or elsewhere; a few who had incurred the displeasure of the Soviet authorities (say, by protesting against the official Soviet policy of anti-Semitism) would be allowed to take part; no Christian or other religious believer who had asserted the claims of Caesar would be selected to compete.

Number Four of the Fundamental Principles simply declares that "Every person or organization that plays any part whatsoever in the Olympic movement shall... be bound by its rules", which, as I shall show, renders ineligible for participation the Soviet Olympic Committee and, for that

matter, the municipal authorities of Moscow.

For instance, much has been made, by the appeasers, of the autonomy of national Olympic committees, and indeed in western countries they are genuinely independent bodies. But this assertion, repeatedly made by Sir Denis Follows and Lord Exeter in particular, is a two-edged sword, for the appropriate Olympic rule (24c) declares that "National Olympic committees must be autonomous and must resist all pressures of any kind whatsoever, whether of a political, religious or economic nature". The Soviet Olympic Committee is nothing but an instrument of Soviet state policy, and serves only the state's ends; the committee even includes B. P. Goncharov, a leading figure in the Soviet state propaganda organization, and Alexander Gerasimov, a senior member of the KGB. (It also, incidentally, includes Boris Onischenko, who was disqualified from the Montreal Games for cheating.)

Those facts debar the Soviet Olympic Committee from playing any part in the Games: Moscow as a city is ruled out by the false answers given by her officials to the Olympic questionnaire that every host city must complete satisfactorily. Question one, for instance, asks "Can you guarantee that your government will agree to abide by, as a priority, the International Olympic Committee Rules and By-laws throughout the

duration of the Games?" Moscow answered "yes", which was a lie, indeed a double lie, for not only were the Moscow officials unable to guarantee any such thing; they knew very well that their government was, and would continue to be, in clear breach of the IOC rules.

Question three asks "Are there any laws, regulations or customs that would limit, restrict or interfere with the Games in any way?" To this, Moscow answered "no", another lie; the whole of Soviet state policy, custom and law would limit, restrict and interfere with the Games, in the ways I have already listed and a good many more. Another "no" was the answer to the question "Do you undertake to accept the accreditation of any journalist whatever as long as he is proposed by the National Olympic committee of his country?" "Yes", but of course the true one, not given, is "no". (Would the Soviet authorities accept Alexander Ginzberg as a journalist at the Games? Would they accept Vladimir Bukovskiy? Would they accept Leonid Plyuschch? Would they accept Robert Conquest or Brian Crozier? Would they accept Josef Josten or Jiri Pelikan? Would they accept me?)

And another lie was told in the answer to the question "Can the journalists' free movement in the Olympic zone, and the free transmission of information be guaranteed?" Again, the answer was "yes", but obviously no western journalist would be permitted to move freely in the Olympic zone, or to question a Soviet athlete without a Soviet official being present, or, if the questions were deemed political, at all.

There is more, much more. In that part of the Olympic Charter which deals with "Organization of the Olympic Games", Section 2 declares that the Organizing Committee (that is, the Soviet one) may only use its powers to represent the International Olympic Committee; obviously the Soviet committee will use its powers to represent only the Soviet government, and no other body at all. One of the most important of all the basic rules, contained in Section 26 of the Charter, declares that "A competitor must not be, or have ever been, a professional scholar, writer, artist, athlete, or any other person whose full-time profession, paid by the state, Section 41 lays down that "Only

competitors and persons whose services are necessary to the competitors may live in the Olympic village". Every Olympic village in Moscow will be crawling with KGB officials, there to see that no Soviet athlete enters too wholeheartedly into the spirit of the Fundamental Principles of the Olympic Games.

But even that does not exhaust the full catalogue of breaches of the Olympic Charter by the Soviet Union, any one of which would, if the International Olympic Committee took any notice of its charter, disqualify that country from the entire Olympic movement, let alone from holding the Games on her territory. And I have kept what is perhaps the most flagrant breach of the rules to the last. Under the heading "The Olympic Games Are Not for Profit", the Olympic Charter declares that "neither individuals, organizations or nations shall be permitted to profit from them [the Games], politically or commercially".

The whole of the Soviet Union's participation in the Games, and more particularly her holding of them in Moscow, is designed with a view to political propaganda; it is at this moment being subordinated in Moscow to the political profit needed and expected from the Games (all building has been halted throughout the city in order to concentrate resources exclusively on the Olympic work); throughout the Soviet Union, every organization and individual connected with the preparation for, or participation in, the Games is using for that purpose, and that purpose only, every public word spoken on the subject emphasizes that political profit is the only meaning the Soviet Union recognizes in the Games, and not merely is this indefensible, breach of the Olympic Charter condemned by the I.O.C.: Lord Killanin, Lord Exeter and Sir Denis Follows have the gall to imply that if any action is taken by other countries that might in any way reduce the political profit accruing to the Soviet Union it is those countries, and not the Soviet Union, that will be culpable.

Today, I have presented the facts, and asked the crucial questions straight upon them. Tomorrow I shall draw the conclusions.

(To be concluded)

© Times Newspapers Ltd, 1980

Reuter's: all the news that's fit to be computerized

When Mr Gerald Long took over as managing director of Reuter's in 1963, two thirds of the news agency's revenue of £3m came from subscribers in newspapers, television and radio. The remaining third came from subscribers to Reuter's specialized economic services.

Now, 17 years later, those specialised services—revolutionized by the computer and video screen—account for 86 per cent of a revenue staggeringly increased to some £70m, the media for a mere 14 per cent.

Small wonder, therefore, that when Reuter's recently announced the merging of the news-gathering operations of their economic and general services, there were fears that the ascendancy of the money-makers was now complete; which would, of course, be not only un-British but also a bad show for journalists.

Mr Long, a former Reuter correspondent in Germany, France and Turkey who at 56 retains a lean and hungry look, believes such fears are misconceived.

The first misconception, admittedly fostered by Reuter's own division, is that there is a real distinction between economic and general news. More than ever, he believes, people in the industrialized countries have become more conscious of the effect on everyday life and on their pockets of international events; witness the effect of the crises in Iran and Afghanistan on the supply and price of oil, and on the price of gold.

"To quote the classic case: if someone assassinated the President of the United States, that is general or market

news," he asked rhetorically in an interview at Reuter's Fleet Street headquarters. Or take the Reuter man covering the Department of Agriculture in Washington. Much of his output would be of interest mainly to those dealing in commodities. But if the United States exports grain to the Soviet Union, that is also a matter of great interest to the "media services".

The second misconception is, Mr Long believes, peculiar to journalists, who think of news as something which appears solely in the media of newspapers, radio and television. Gripped by a curious form of masochism, they insist on seeing their form of journalism as under threat. Journalists like to feel that their role is the essential one, and that everything else is subsidiary. They are disappointed by the reality of the world; it doesn't always give first place to journalists. I find this quality rather engaging in its way.

The reality at Reuter's, on which Mr Long has left his firm stamp, is that management gives equal place to journalists, to the engineers who design and operate the very complex technology, and to the salesmen who sell it. Among the journalists themselves there has been, he assures one, no disadvantaged or neglected group.

Why then, had the distinction between specialized economic and general news services grown up largely by accident, he explained.

When Baron Paul Julius Reuter set up business with his two famous pigeons in Aachen in 1850, they carried messages almost entirely about the mar-

kets which Reuter's now serves with its specialized services; securities, commodities and currencies. When Reuter came to London in 1851, it was seven years before the first newspaper agreed to accept general news.

The man who succeeded him, Sir Rodrick Jones, saw Reuter's above all as a news service with the empire as its main market. Reuter's became an institution, and the truth was in the ascendant. But Jones appreciated the importance of economic news, and started a separate economic service in the 1920s.

Then in 1944 Reuter's acquired a company called Cornetbury, which it proceeded to use as the vehicle for its economic and financial services. Mr Long recalled that when he took over as chief executive in 1963, Reuter's was still operating this important service without using what was perhaps its chief asset, its own name. Everyone agreed that should change.

In 1964, the economic service was greatly boosted when Reuter's became the first world-wide organization to launch computerized stock and commodity market services. Then in the early 1970s Reuter's Monitor service became the fastest reliable means of receiving foreign exchange and money market rates, quoted directly by banks and other institutions onto video screens.

Later this year, technology will reach the point where foreign exchange dealers will be able not just to follow worldwide currency fluctuations but also to close a deal on their Reuter video screen.

And so the specialized

economic services boomed, while the soaring costs of maintaining a world wide news service have been in no way matched by growth in revenue from media subscribers. "The media services are competing in a subsidized market," Mr Long explained. The world is full of new services being sold at subsidized rates. There are many reasons for wanting to distribute news which have nothing to do with getting an economic return.

The overall number of Reuter's foreign correspondents has increased to just under 400. But increasingly it was found that to designate correspondents for one service or another was divisive and as Mr Long put it, a nonsense, given the overlapping of interests and duties. In posts like Brussels the two services were integrated; and in 1977 Mr Michael Reupke was appointed editor-in-chief in London to coordinate all editorial operations.

Now the last bastion of the division of the two services in London has crumbled. No longer will they be separated by two floors at 85, Fleet Street, and have separate editors. Mr Manfred Pagel, the German who previously edited the economic service, takes over the combined operation outside North America (which remains separate), and Mr Reupke joins Reuter's top management body, the executive committee. Mr Long hopes the merger will promote the most efficient use of Reuter's journalistic resources, and benefit subscribers with both specialized and general interests.

Roger Berthoud

The shop stewards' group behind Mr Robinson

An announcement is expected today on the inquiry by the Amalgamated Union of Engineering Workers into the dismissal of Mr Derek Robinson by British Leyland. CLIFFORD WEBB discusses the history of the BL Combined Trade Union Committee, of which Mr Robinson is still chairman, and whose attitude will be an important element in the overall reaction to the AUEW's findings.

BL Combined Shop Stewards Committee prefers to be called BL Combined Trade Union Committee these days, although all its members are shop stewards. It is neither part of, nor recognized by, any trade union and is frequently a thorn in the side of union officials. To date most industrial reporters have chosen to stick to the old title because it conveys a truer picture of this controversial body.

The activities of the committee have been reported with varying prominence for the past 15 years, although little is known about its background work. Even when its four senior officers were hauled before management disciplinary hearings in November and its chairman, Mr Derek Robinson, dismissed for a disruptive shop-floor campaign against the Edwards recovery plan, the group managed to avoid the spotlight.

It came into being in the mid 1960s when the veteran Communist convert at Longbridge, Mr Dick Etheridge, began to call meetings of conveners from other plants. The intention was to swap details of piecework rates, wage drift and possible moves to change the use of factories that time it did not have an obvious political platform.

It met not more than half a dozen times a year and preferred to operate quietly but with the creation of British Leyland in 1968 came major changes in its formation and activities. The new arrivals—Triumph-Rover, Jaguar and

the Amalgamated Union of Engineering Workers. Mr Robinson had been carefully groomed by Mr Etheridge. He quickly gained in stature when the Ryder team began consultations with a group of trade unionists who included himself and Mr Brindle, either by chance or coincidence. BL manual workers were represented in these talks by officers of a totally unofficial body.

While the Ryder plan, with its over optimistic targets for production, and employment, was still running, Mr Robinson and the combine adopted a constructive role. But following the 1977 reorganization, which led to the appointment of Sir (then Mr) Michael Edwards as chairman—determined to cut out the "fat", to set more realistic targets and to tackle industrial relations bottlenecks—the unions withdrew from participation and the combine began an aggressive "blocking" campaign.

Mr Robinson and his colleagues resisted almost every change proposed by management and nailed its colours firmly to the mast of full union involvement in setting work standards and manning levels. As the combine's political role became more pronounced, three of its four officials—Mr Robinson, Mr Brindle (vice-chairman) and Mr Jack Adams (secretary)—are Communist Party members.

Those three signed the now famous green pamphlet issued after last October's seven-to-one ballot vote by BL car workers supporting the Edwards recovery plan. The pamphlet urged working men to support the plan to prevent closures and the transference of products between factories, and was the direct cause of the disciplinary action which resulted in Mr Robinson's dismissal.

Calculated risks of Operation Countrymen

"Copper's car", someone in the back of the car growled. The driver gently revved the engine, ready to pull away. The patrol car disappeared, but the driver's hand still hovered over the gear stick. Two constables wandered along the pavement. As they vanished down an alley the driver relaxed.

The officers involved in Operation Countrymen are as wary on the streets of London as any of the professional criminals who have provided the basis of their investigations. A meeting with even the most peripheral of contacts requires great caution.

Despite the revelations of the past 10 years, police corruption in London is not a modern phenomenon. In the 1870s three officers in the emerging detective force were jailed for profitable collusion with a gang of swindlers.

More than a century later the wheel has come full circle. Countrymen is investigating members of the modern CID force born out of the inquiry following the 1870 trial. At the end of the day there may well be yet another inquiry.

But after 18 months the 80 volunteer members of the investigating team show no sign of finally going home to Dorset, Hampshire and the other provincial forces to which they belong.

As time passes, criticism and suspicion flourish. Is Countrymen a police exercise in the provincial men wise to London's peculiarities and capable of coping with London's professional criminals and their wives?

As to time, the officers themselves reply that the nature of the inquiry and the enormous sources of the allegations call for a slow, painstaking approach. If they are criticized for not understanding the ways of the big city, the answer is that if this means operating corruptly then that is certainly true.

More disturbing are the reports of "nabbing" by London officers. This was at first disputed but Sir David McNeave, the Commissioner of the Metropolitan Police, has since admitted such activities would not be countenanced, which implies that there have been problems.

Then there were reports about the cautious approach of the Director of Public Prosecutions. A member of the DPP's staff has joined the Countrymen team, but the critics complain he is not sufficiently senior.

If Countrymen suffers the slings and arrows of criticism and speculation, the Metropolitan Police must see like an encircled wagon train.

Countrymen could not have come at a worse time. The police service in general seems to be fighting a vociferous battle with its critics. Apart from this confrontation the Metropolitan Police still has to answer the questions over the death of Mr Blair Finch and the value of the special patrol group.

Not surprisingly, morale is under attack. Some Scotland Yard officers believe their seniors would like nothing better than to see resignations among the detective force. Unlikely and impractical though the rumour is, even as a rumour it is damaging.

One senior officer recently expressed his disappointment that when the force notches up a success it is lost in a press report long after Countrymen. Exasperation at the reports reached the stage late last year when the force's own newspaper attacked several newspapers in return.

There must be fear that an atmosphere of distrust is building up between police and countrymen which in turn will affect public confidence. Some years ago Scotland Yard took public pride in the fact that journalists were prepared to pass on allegations to the newspapers investigation bureau rather than print them first. The tide is turning again.

For their own part, CID officers make it plain to would-be complainants that their track record is good, they are always on call and they will still be operating long after Countrymen. But the damage Countrymen has had far more complaints than the officers can handle.

By its very existence Countrymen has caused injuries to confidence. But that must be a calculated risk. The countrymen general in the 1870s tried to do the same thing as a thunderclap to the community. In 1980 the storm has yet to break.

Stewart Tendler

CAIRO DIARY

The kites are back in Cairo, wheeling watchfully above the dusty, breathtaking prospect of minarets and domes, tenement blocks, slums and palaces between the Nile and the distant eroded ramparts of Salah el-Din's Citadel, at the foot of the eastern Mokattam Hills.

After a few years' absence, these traditional predators, long since converted to scavenging and bold enough to snatch a sandwich from the unsuspecting human hand, are once again, it seems, finding conditions more agreeable. Ecologists feared they had gone for good, driven away by a combination of traffic fumes and burning rubbish, pesticides, human population pressure—squatters amid the Dead City mausoleums disturbing their nocturnal rest—and the passage of low-flying helicopters.

Their return follows, as it happens, a diminution in the frequency of the latter. Even if they are the obvious means of evading the traffic paralysis that grips Cairo 12 hours a

day, helicopter flights for the President and special guests are now apparently rated as risky. One reason is that the landing approach to Mr Sadat's riverside mansion at Dokki is overlooked by high apartment buildings.

The current palliative for the traffic dilemma, which ambulances, police and fire-engines struggle to extricate themselves by recourse to pavements, is the construction of fly-overs. These do little more, however, than slow the growth of wider congestion; hundreds of new cars are registered most weeks and the number of those aged 30 or more years still limping along testifies to the Egyptian capacity for rugged improvisation.

If otherwise indicated in a flat land, cycling is identified with the lower orders, and is also hazardous because of erratic driving. So private cars and taxis form the sole alternative to creaky public transport. To check-full public transport, in whose tolls even Egyptian cheerfulness is stretched thin. Agility for access, by window,

or strength for clinging to the outside, is often required of any commuter determined to leave the waiting crowd by the next listing bus.

A similar situation prevails in housing, though building is by far the most evident urban activity and new towns are springing up in the desert to the east and west. An official report says the country is short of 3,600,000 flats but promises confidently that "the housing issue will be solved once and for all in 20 years".

A city literally bursting at the seams with 8,000,000 inhabitants, a fourfold rise in 30 years—the "Greater Cairo" area is estimated to have 14,000,000—illustrates dramatically a birthrate that dwarfs all Egypt's other internal difficulties. The population, now over 41,000,000, will reach 65,000,000 by the turn of the century.

In the face of this unwavering proliferation, President Sadat in 1974 opened the country to foreign capital and western expertise, which in

conjunction with Egypt's own energies and an anticipated reduction in military spending, are intended to stimulate economic growth. But the process is impeded by the labyrinthine bureaucracy and lingering distrust of foreign enterprise.

Apart from the construction work, and an influx of shepherd tourists (among them the first curious Israelis), the most marked effect of "the opening" so far in the capital's daily life seems to be the enrichment of those with—like the kites—a ready eye for the quick change.

No since Farouk's day has Cairo seen such abundance or heard such tales of soaring baksheesh and fortunes from fiddling. The affluence is confined, as before, to a minority, but their uninhibited consumerism makes the gulf between their lifestyles and those of the others more glaring than anything the latter-day pashas would have permitted themselves. "There's madness for money in the air," as a

banker put it. But the brassy materialism of this new class—whose Mercedes windcreens sometimes display an invocatory Koran bound in purple velvet—is no asset to Mr Sadat in his handling of a newer problem, the resurgence of Islamic fundamentalism. Egypt's present circumstances are no time for flourishing wads of banknotes: to keep pace with inflation, a new hundred-pound note has just been issued.

Religious fervency with political affiliations, such as the Muslim Brotherhood, nominally banned since 1954, is a fluctuating element in a city with the Al Azhar mosque and university—roughly the Islamic equivalent of the Vatican—and priding itself on being the spiritual and intellectual heart of the orthodox Sunni-Muslims.

No faith can be physically more accessible: new mosques are everywhere, even improvised on the flat roofs of high office blocks. A huge bus depot has a mosque obviously

put together by the mechanics, its minaret fashioned from empty oil drums of diminishing size. On Fridays side streets may serve as impromptu places of worship, newspapers as a prayer carpet.

If religion that promises all continues to be a solace to the weary and underprivileged, it has also become, over the past decade, the object of increased attention on the part of those reared in easier circumstances. Beards are evidence of this trend at the secular universities as well as the Azhar: girls conceal their hair with head-shawls—one step removed from the veil—many also wearing long white buttoned jackets and voluminous grey skirts. In some districts, youths in skull caps shaking money boxes work the traffic queues.

If those who wish clearly to label themselves as zealots are in a minority, their sentiments are often close enough to the mainstream of public consciousness for the regime to treat them with circumspec-

tion. Now and then, wilder spirits, with sundry other factions, some fanatically opposed to "secularisation" and with Israel, start a demonstration or go for a Coptic church.

If trouble erupts the riot police are there to meet it head-on. Their rough training encampments are strung out beside the twin-lane Canal Zone motorway that runs through the desert from Heliopolis to Ismailia. But the President's sole prominent survivor of the revolutionary Council of officers who opened their road to power in 1952, by stealth, and at due time their contacts with the Muslim Brotherhood, relies on more subtle techniques in steering an "Islamic awakening to combat communism".

The emphasis is on utilizing the media, including mosque sermons, plus the preemptive security network, civil and military, but run with a touch lighter than in Nasser's time.

Alan McGregor



This report assesses the political, business and social climate in the Gulf island emirate and includes a two-page economic briefing

مكتبات البحرين

BAHRAIN

graphic: Richard Draper

Anxiety replaces calm

For Shaikh Isa bin Sultan al-Khalifa, the 46-year-old Emir of Bahrain, the past 12 months have been anxious ones. Nor can he hope for much respite in 1980, for suddenly together with the other Gulf states Bahrain finds itself embroiled in the new Cold War confrontation. It is but the latest of a series of shockwaves to disturb the centuries-old calm of this small and friendly island state.

The tremors began in January 1979 with the violent overthrow of the Shah in neighbouring Iran. The most recent and most disturbing to Shaikh Isa and his fellow Gulf rulers came less than a year later—the Soviet seizure of Afghanistan, and the brewing battle of wills between the superpowers for domination of the Gulf.

But despite present anxieties over the future of this vitally important region—jugal vein of the Western world—today's visitor to Al Manamah, Bahrain's capital, encounters no feeling of alarm. Although some American embassy families and non-essential staff were sent home after the Tehran embassy affair (a decision which did not please the Bahraini authorities), no one else shows any sign of packing his bags.

Probably alone among Middle Eastern rulers, Shaikh Isa still drives around the islands without bodyguards or police escort, waving to his friends, perhaps secure in the knowledge that he is genuinely popular among his 300,000 subjects. The old atmosphere of unhurried calm, so characteristic of Bahrain, still pervades everyday life, whether in the suk or in the

plush offices of the big international banks which have come to roost on the island, although much time is wasted by their staffs reassessing head offices that the end is not yet sight and that business is booming.

Certainly there have been moments of tension during the past months. To the authorities in Bahrain—more than those in any of the other Gulf states—the explosive message of Ayatollah Khomeini gave particular cause for concern. For at least 50 per cent (some put it as high as 50 per cent) of the population are Shi'ite Muslims, while many Bahraini families are of direct Iranian descent.

However, any fears they might have entertained of the Ayatollah's revolution spilling over into Bahrain have so far proved groundless. Troubles—until now, anyway—have been limited to a home-made bomb, some hot-headed sermons, pro-Khomeini wall slogans and several noisy Shi'ite demonstrations.

Diplomatic observers in Al Manamah have been impressed by the way the authorities handled a potentially explosive situation with the right balance of firmness and forbearance. It is no secret, moreover, that the island's security and intelligence is in the canny hands of Mr Ian Henderson, a legendary figure from the Mau-Mau campaign, and Major-General Jim Bell, another Briton.

Despite the fact that Shaikh Isa's rule is unquestionably one of the most liberal in the Middle East, no one would pretend that there are no grievances among Bahrain's Shi'ite population, who largely represent the country's least priv-

ileged community. However, it is unlikely that many of them would willingly exchange the security and relative prosperity of life under Shaikh Isa, and his predominantly Sunni Government, for the uncertainties of the Ayatollah Khomeini's regime, much as they might still respect him as a spiritual leader.

Many of us have relatives in Iran from whom we hear tales of economic chaos, food and fuel shortages and other hardships. One Bahraini Shi'ite told me: "As things are there at present, few of us see Iran as a model Islamic state."

Even so, when one Iranian ayatollah—not Khomeini—himself—recently raised the age-old spectre of Iran's claim to Bahrain as its "fourteenth province", it must have caused a few flutters in Al Manamah. For the country's very modest defence forces would stand little hope against the armed might of Iran, disarmed as it is.

Moreover, although without serious validity, it was a claim that Bahrainis had hoped they had finally seen buried for ever when they achieved independence in 1971 and the Shah officially renounced any interest in the islands. They were greatly relieved, therefore, when Khomeini's Government quickly dissociated itself from the claim. However, they are aware that in the event of Khomeini being replaced by a leftist, Moscow-oriented regime, the claim could easily be revived.

The United States abandonment of the Shah—hitherto the Gulf rulers' principal shield against Soviet expansionism in the region,



A traditional Gulf greeting for the Emir (front right) at his palace. Photograph: Ed Mullis.

after Britain's withdrawal in 1971—has given them cause for grave concern about Washington's reliability as a friend. Despite President Carter's recent assurances about his determination to defend, by force if necessary, the West's vital interests in the Gulf, they are still far from convinced that they might not also be sacrificed if it suited Washington's purpose.

Bahrainis' feeling of insecurity was heightened by another shockwave—this time from behind, and nearer to home than either Afghanistan or Iran. This was the seizing of the Grand Mosque in Mecca by religious dissidents, and the ensuing Shi'ite disturbances in Saudi Arabia's Eastern Province, only 15 miles away across the shallow Gulf waters.

Until then the powerful and friendly Saudi regime (the two ruling houses are related far back in history)

had been regarded as a model of stable and orderly rule. Now, it too had an enemy within.

Although Bahrain is the least rich of the Gulf states, with its modest oil reserves already running down, it feels no less vulnerable in the present strategic tug-of-war than any of its neighbours. Never has Al Manamah felt a greater need for Gulf unity than now.

Either they hang together, or they hang separately, one Western diplomat remarked to me. But apart from seeking closer cooperation with the other Gulf states on the protection of the waterway and their common stake in it, Shaikh Isa and his advisers are keenly aware of the need to preempt those who seek to inflame grievances among his Shi'ite subjects.

Observers note that in the present, two-year, budget, the Government has increased the amount to be devoted to social welfare during 1980-81. Moreover, to cushion Bahrainis as far as possible from the effects of

inflation, it has frozen the price of petrol, electricity and water, while, in 1981, it plans to boost food subsidies from the current BD4m a year to BD6m.

Although it has no elected Parliament (a brief experiment in Western-style democracy was ended in August 1975 when, after 18 months, the National Assembly was dissolved), Bahrain is probably the most liberally-governed of the Gulf states. Some analysts argue, however, that the Emir's easy-going rule makes Bahrain more vulnerable to subversion than the other Gulf states, particularly for anyone launching a concerted campaign to incite the Shi'ites.

But that is not how Shaikh Isa's Government sees it. "Our national cake may not be that big, but so long as it is divided equitably we have nothing to worry about," Yousef Ahmad el-Shirawi, Bahrain's Minister for Development and Industry, confidently says.

Peter Hopkirk

When the oil runs out

Supplying about half the West's energy needs, the oil producing Gulf states occupy the most valuable stretch of real estate in the world, although not all of them are equally rich.

Compared with its very wealthy neighbours, the tiny island emirate of Bahrain has never enjoyed fabulous riches. Although it was the first of the Arab states to strike oil—back in the early 1930s—it is also destined to be the first to see its wells run dry. According to the experts, this should happen in about 1995.

During its thousands of years as a centre of trade and maritime communications, Bahrain has weathered countless changes, always adapting to new circumstances. When the pearling industry collapsed in the 1930s, because of the Japanese discovery of the cultured pearl and the world depression, it was replaced as Bahrain's principal revenue earner by the timely discovery of oil.

Today, with its oil fields declining, Bahrain is endeavouring to move away from an oil-based economy to a service one, although for some years—thanks largely to the continuing rise in oil prices—oil will continue to be its economic mainstay. Diversification, however, is proceeding apace. Already, functioning ventures aimed at earning a living for Bahrainis in the post-oil era include the new dry-dock complex—the Arab Shipbuilding and Repair Yard Company—and Alba, the Aluminium Bahrain smelter.

Around these, it is hoped, will develop industries to give employment to the island's very high ratio of young, educated people. Tourism is a third industry Bahrain hopes to develop.

However, Bahrain has two other aces which it believes will secure the future well-being of the islanders. The first, which it has already played, is off-shore banking. This, while inviting the occasional libe about the emirate becoming the home of "suitcase bankers" and the "red-light district" of international banking, has proved an enormous success. Now in its fifth year, the experiment has attracted many of the largest and most important banks in the world.

Here luck, or history, was on its side, for much of Bahrain's off-shore banking success was the direct consequence of the Lebanese civil war which destroyed Beirut as the banking capital of the Middle East. The oil price spiral was also fortuitous, with vast fortunes generated by the boom looking for a secure home.

However, it was not merely good luck which brought over 50 off-shore banking units (known as OBU's) to Bahrain. Apart from the island's record of economic stability, the tax-free status offered, and the more liberal attitude to Western ways (including the consumption of alcohol), Bahrain's heavy investment in communications over the years also paid off heavily.

As Mr Alan Moore, who as director of the Bahrain Monetary Authority masterminded the venture, put it: "The whole banking presence here rests on two things: stability and communications". The slight drop which the OBU's total assets took in November after the seizure of the United States embassy in Tehran underlines the

truth of his first stipulation. Assets can be moved overnight, and Bahrain needs not merely continued domestic stability if the bankers are to stay but also regional stability, something beyond the control of anyone in Al Manamah.

However, the venture destined to change the islanders' lives more than anything else since the discovery of oil nearly half a century ago will be the construction of the long-mooted, four-lane causeway joining Bahrain to the Saudi mainland and scheduled for completion some time in 1984.

Just what its impact will be on the nation's economy and way of life is the subject of endless debate among Bahrainis. Certainly it should give a much-needed shot in the arm to the emirate's hard-pressed construction industry. Al Manamah's underused hotels, too, hope to recoup some of their losses, since the imported architects and engineers will have to find temporary homes, preferring no doubt to live in somewhat cheaper Bahrain rather than in teetotal Saudi Arabia.

The hoteliers are also optimistic that the causeway will boost weekend tourism traffic from the Saudi mainland. It is thought, too, that many Westerners working in the Eastern Province of Saudi Arabia may prefer, if the Saudis permit it, to make their homes in Bahrain and commute the 15 miles or so to and from work, spending their salaries on the island rather than in Dammam or Dhahran. It is also thought that the land link will make it possible for Bahrainis too to commute to Saudi Arabia, thus easing future employment problems.

P.H.

The British Bank of the Middle East

A Member of The Hongkong Bank Group

Offices in

Bahrain · Djibouti · India · Jordan · Lebanon · Oman · Qatar
Switzerland · United Arab Emirates · Yemen Arab Republic

Other Group Interests in the Middle East

The Cyprus Popular Bank Ltd. The British Bank of the Lebanon S.A.L. The Saudi British Bank.
Banque Internationale Arabe de Tunisie. Middle East Finance Co. Ltd.
Dubai-Abu Dhabi-Ras al Khaimah

Wardley Investment Services Ltd. Wardley Middle East Ltd.
Dubai Dubai

The Hongkong and Shanghai Banking Corporation.
Offshore Banking Unit - Bahrain

Head Office

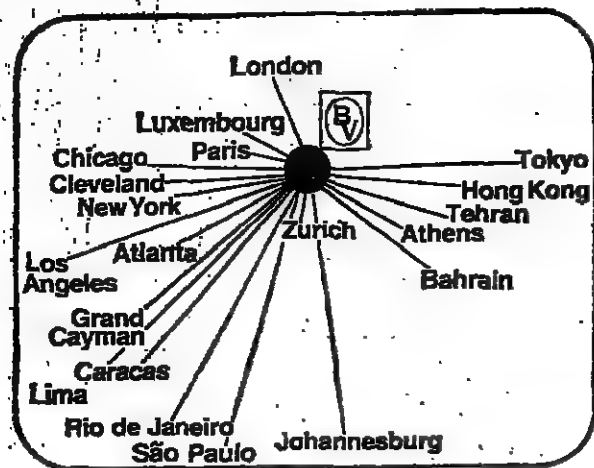
1 Queen's Road Central Hong Kong Telephone: 5-2677-111 Telex: 73201

In London

99 Bishopsgate London EC2P 2LA Telephone: 01-638 2366 Telex: 889185



For the Middle East think BV



Bayerische Vereinsbank one of Germany's major banks has been represented in the Middle East since 1958. BV is a strong and flexible partner in international financing and offers you a wide range of banking services, especially for this important area. With consolidated assets of over DM 80 billion (year-end 1979) we are number 20 in the world of banking.

Foreign branches, representative offices and participations in banks and financing institutions at home and abroad complete our international presence.

For further information please contact

Bayerische Vereinsbank Head Office International Division Kardinal-Faulhaber-Strasse 1 D-8000 München 2 Telephone: (089) 2132-1 Telex: 529 921 bvm d SWIFT: BYVE DE MM	Bayerische Vereinsbank (Union Bank of Bavaria) London Branch 40, Moorgate London EC2R 6EL Great Britain Telephone: (01) 628 9066 Telex: 881317/3 bvlg	Bayerische Vereinsbank Representative Office for the Middle East Room 103 Manama Centre P.O. Box 20432 Manama, State of Bahrain Telephone: 230360 Telex: 9230 bv rep
--	---	---

BAYERISCHE VEREINSBANK

We were already well into our stride, arranging trips to and from the Middle East, years before they opened the Suez Canal. So it's not surprising that we now offer the travelling businessman a service second-to-none when it comes to going East.

Any of our travel offices can arrange accommodation, transportation, tickets, reservations, visas, currency and travellers cheques with the minimum of fuss and formality.

At 45 Berkeley Street, London W1, you'll find the world's largest travel centre,

where an even more comprehensive service is offered to the traveller. This includes a brand new Vaccination Centre, recently opened, & our special 'Overseas Club' with its Middle East section, run by our own Arabic-speaking staff. When you reach your destination, you'll find we've beaten you to it—by a couple of generations. We're as much at home in the Middle East as the Arab businessmen who use our services to travel West.

Our local managers are experts in the ways of the Middle East, and will be happy to help you. Their names and offices are listed below for your information—and we'll soon be opening offices in Saudi Arabia.

Bahrain Barry Pathay Johns, Thomas Cook Travco L.L., Unifac House, Government Road, Manama, P.O. Box 20312, Tel: 257444 Telex: 9099 GJ.
Dubai Keith Bickel, Thomas Cook Al Rostamani, Al Boudur Building, Al Maktum Street, Jumeirah Nasser Square, P.O. Box 10072, Deira, Tel: 222301/223564, Telex: 47482.
Egypt Stuart Molk, 4 Champollion Street, P.O. Box 165, Cairo, Tel: 743698 Telex: 92413 David Essawi, 15 Midan Saad Zaghloul, P.O. Box 185 Alexandria, Tel: 27830 Telex: 54136 Hassan Mahmoud New Winter Palace Hotel, Luxor, Tel: 2402 Cables: Thomas Cook Luxor.
Iraq John Marshall, Thomas Cook Overseas Ltd., Sa'adun Street, P.O. Box 2007 Baghdad, Tel: 88 89721/3 Telex: 2464.
Kuwait Alan Holmes, Thomas Cook (Kuwait) Travel and Tourism Company KSC, Amwar Al Sabah Building, Fahad Al Salem Street, P.O. Box 24504 (Safat), Tel: 424779 Telex: 3413 KT.
Lebanon Antoine Kirak, Thomas Cook Overseas Ltd., Al-Moutawakil Building, Monseigneur Messara Street, Achrafieh, Beirut, P.O. Box 11-0085, Tel: 346260 Telex: 21512.

Thomas Cook

The trusted name in travel Everywhere.

BAHRAIN

Economy

The future depends on rich neighbours

The fortunes of Bahrain have for a long time depended on outsiders' interest in it. Its self-contained character, geographical location and mild climate made the island the favoured resort of the Resident Agent in The Gulf before the Second World War. The discovery of oil in 1931 came just at the time when the collapse of the pearl trade had made Bahrain a by-word for poverty, even by the then stringent standards of The Gulf.

The prosperity which ensued encouraged other Gulf rulers to allow oil companies on to their domains. But that was about the last time the economy of Bahrain served as an example for its neighbours. In more recent years, as oil production has declined while that of its neighbours has prospered, the emirate has grown more and more dependent on surrounding states. The future of the country, economically and politically, is indissoluble from the richer and more powerful states near by, Iran and Saudi Arabia particularly.

Three factors illustrate the extent of the dependence. The first is that for years the economy has been kept afloat by Saudi Arabian oil. Crude has been pumped into the country: half the output from the offshore Abu Sa'afah field, run by Saudi Arabia, goes to Bahrain. This transfer probably accounted for about half of the

BD205m (\$545m) the Government is estimated to have received from oil revenue last year, or, put another way, it was equivalent to about 10 per cent of gross national product. Bahrain also depends on crude piped from the main land to keep the refinery at Sitra, once the biggest in the Middle East, running economically. The island's own production can supply only 20 per cent of the refinery's 250,000 barrels a day capacity. A measure of how much these two sources are worth to Bahrain is that of total imports in 1978 of BD792m, even assuming favourable prices, crude oil from Saudi Arabia was worth BD339m.

A second aspect of dependence is direct cash subsidy. Total revenues in the 1979 budget were estimated at BD 255m. According to the forecast breakdown, before oil prices went up, oil production has been falling at an annual rate of about 6 per cent. Its value has been offset by oil price increases, partly because of action by surrounding Opec members, Bahrain itself only being a member of Oapex. Nevertheless, tentative calculations suggest that oil's contribution to gnp will have been between 1971 and 1984 to 30 per cent. At the same time the island has almost no other assets, and 70 per cent of the population is under 20. Therefore the Government must find jobs. That is difficult enough, as the current plans recog-

nize. But it is accentuated by the population's rapidly rising expectations. Soon the only society which the people know will be that which offers cradle-to-grave social security. Bahrain is also the Gulf state with the oldest, and in some ways best developed, education system. The Government's idea, therefore, has been to employ this young, educated, healthy population in service and manufacturing industries offering the opportunity of improving skills. Of the services, banking is much the most important. Invisible exports, chiefly generated by the Offshore Banking Units, more or less covered Bahrain's 1978 trade deficit of BD144m. Also there have undoubtedly been employment benefits, though criticism of what is regarded as the expatriate bankers' lavish lifestyle emboldened by the success of the Ayatollah across the water, and rent inflation in the mid-1970s caused by foreigners' demand for accommodation, have dulled the advantages.

On the industrial side, two projects dominate. The Aluminium Bahrain smelter was completed in 1972 and provides nearly 2,200 jobs. Although its position has been greatly improved by last year's higher aluminium prices and the plant is to be expanded, profitability remains questionable. A similar doubt surrounds the Arab Shipbuilding and

Repair Yard, which received its first customer at the end of 1977. Whereas Alba was intended to be a commercial partnership between the Government and foreign companies, most of which subsequently backed out, Asry was devised by Oapex as a way of investing oil revenues. Its value to Bahrain is, therefore, more in the effect on other industries, especially engineering, than in direct exports, the profits from which accrue directly to the country's shareholders.

But whatever success the planners enjoy in setting up new industries—and a number of small manufacturing enterprises have sprung up in recent years—the shadow of its neighbours lies long over Bahrain. Saudi Arabia is probably responsible for about half the business of the OBU's, and the banks would certainly not be there without the oil giant. Moreover, the kingdom is meeting the entire cost of the causeway which is to link it with Bahrain, physically emphasizing the economic proximity.

Many Bahrainis are hoping that the causeway will give their economy, now slowing down to less than 10 per cent a year, the fillip it needs. That may happen. But in the past year they have discovered another, more disturbing dependence: Iran, which could still pose a serious problem.

Michael Prest

Energy

Oil runs down but gas flares up

One of the lesser known ironies of imperial history is that the British had the rights to oil in Bahrain while the Americans subsequently obtained the rights to oil in Saudi Arabia. Anxiety on the part of the British between the wars to exclude outsiders from their sphere of influence in The Gulf led to United States companies exploring in Saudi Arabia, regarded then as a benighted and barren land. This view was reinforced in the official mind by the discovery in the late 1920s by a New Zealander, Major Frank Holmes, of the island's geological potential.

The first well was spudded at Jebel al-Dukhan in 1931, and within a decade the formerly lowly status of Bahrain had been transformed. The exploitation of Mr Holmes' geological work was carried out by a Canadian company, Caltex, set up in Canada to evade the ban on United States companies. But whatever the intentions of the India Office

and the Foreign Office, which conducted a century-long struggle to control policy in the region, the discovery of oil in Bahrain was effectively the beginning of modern history in The Gulf. Iran, of course, had been a producer since before the First World War; British Petroleum began life as the Anglo-Persian Oil Company. But the visible improvement in Bahrain's condition brought about by oil overcame the suspicions of other Gulf rulers about allowing infidel oil companies into their territory. It is perhaps the most valuable contribution Bahrain has made to the region.

Not that oil's contribution to Bahrain has been insignificant. Although production peaked at about 76,000 barrels a day in 1970, it has been the mainstay of the economy for half a century. Bahrain's position as an entrepot and fishing community, along with some agriculture, so rare in The Gulf, has meant that oil has

not for many years been so high a proportion of gross national product as in neighbouring states. Nevertheless, when oil production was at its greatest it accounted for about 60 per cent of gnp. And that, one should recall, was before Opec had initiated the decade of massive price increases. But those increases have not been enough to prevent oil's share of gnp falling to approximately 40 per cent today, with a further expected decline to 30 per cent in four years.

So the essence of the trouble is that Bahrain's oil is running out much faster than the reserves of surrounding states. Total onshore reserves are put at some 300 million barrels, not much more than a month's Saudi production at present rates. In order not to discount income too quickly, production was planned to fall by 4 per cent a year, a rate of decline which could increase to

6 per cent. At that speed, reserves might lag to the end of the century if advanced recovery techniques using water, gas, steam and chemical injection are employed.

Production from the original Jebel al-Dukhan field is still declining steadily. In 1978 it averaged 55,317 b/d, or a total of 20,200,000 barrels, against 20,400,000 during the previous year. Attempts to find new onshore reserves have been disappointing. Output from the field may have fallen by 8 per cent in 1979. Opec price increases, however, ensured that budgeted revenue to the Government from onshore production rose from BD160m in 1978 to an estimated BD205m last year. For a country which would otherwise run even bigger budget and balance of payments deficits, Opec's price-boost is clearly a boon.

Although Bahrain is only a member of Oapex and not of Opec it also follows the latter's policy of extending control over oil production. At the moment 80 per cent of the Jebel al-Dukhan field is in the hands of the state-owned Bahrain National Oil Company. The remaining 40 per cent is controlled by the Bahrain Petroleum Company, a wholly-owned subsidiary of Caltex Petroleum, itself equally owned by Standard Oil of California, and Texaco. But last autumn the Government announced that it intended to acquire full control of Bapco by the end of 1979.

Since Caltex started full-scale production in 1939 it has extracted more than 650 million barrels, as well as owning the Sitra refinery, once the biggest in the Middle East. Sitra is being extensively modernized and has a capacity of 250,000 b/d. The Government has not

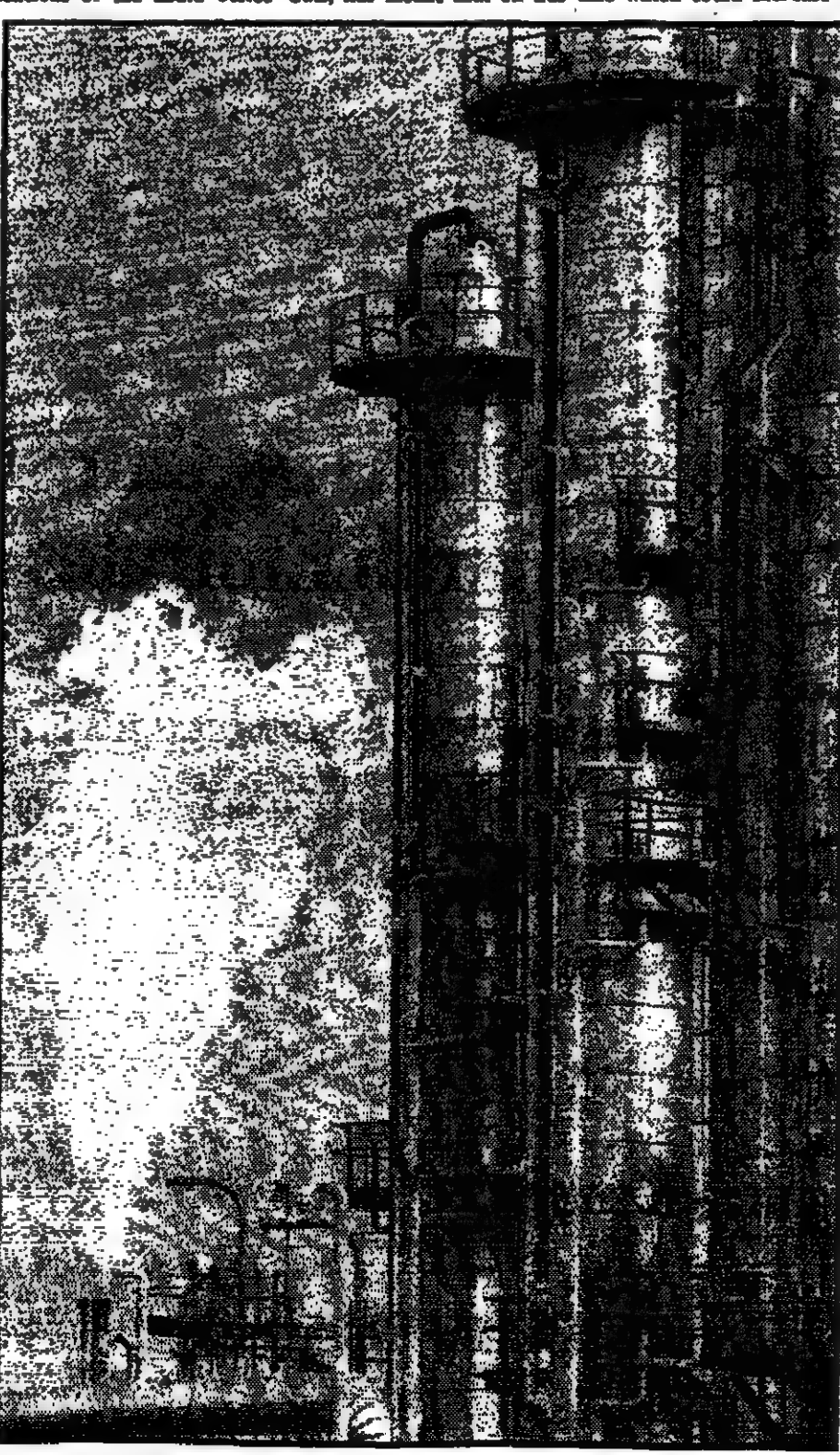
revealed plans for taking it over.

Sitra is economic because it refines oil from the offshore Abu Sa'afah field shared with Saudi Arabia and operated by Superior Oil, of the United States. In 1978 the Bahraini share of production rose 8 per cent to 25,500,000 barrels, thus outstripping Jebel al-Dukhan. Total petroleum exports in 1978 were consequently worth BD586m, a 2.2 per cent increase over the year before. Oil is also imported by undersea pipelines from Saudi Arabia to the refinery. In 1978 oil imports into Bahrain amounted to BD339m.

But as oil runs down the relative importance of gas grows. Bapco holds a 75 per cent stake in Bahrain National Gas Company, the rest of the equity being split equally between Bapco and the Arab Petroleum Investments Corporation. A plant to process associated gas that would have been flared was completed towards the end of 1979. More significant for the future is the 336 million cu ft a day of non-associated gas from the Khuff field, whose reserves are put at 10,000,000 million cu ft.

Of present gas production, 116 million cu ft a day goes to Aluminium. Bahrain's smelter, while 100 million is used to generate electricity and 90 million injected to aid oil recovery. The contribution of gas to the economy is therefore already considerable and was certainly not even dreamed of by Major Holmes. But as with oil, government policy is to make reserves last as long as possible. After launching Bahrain into the modern world, oil and gas will be needed for some time yet to supplement the programme of economic diversification.

M.P.



Gas burns at Jebel al-Dukhan, where oil production is declining steadily.

OVERSEAS TRUST BANK LTD.

Incorporated in Hong Kong in 1955.
32 Branches in Hong Kong and Macao

Total Assets
HK\$2,090,638,900
Shareholders Fund
HK\$157,201,800

Bahrain Branch:
Manama Centre,
P.O. Box 5628, Manama
Telephone: 245145, 230078
Telex: 9238 OTBFX
London Branches:
Stock Exchange, London EC2
30 Old Compton Street,
London W1

هكنا من الأصل

Finance

Political pressures harm banking centre

Luxurious offices and affluent lifestyles cannot disguise the difficulties facing offshore banks. An American banker said after a recent trip to Bahrain that he was sceptical about the long-term future of the offshore banking units (OBUs) and was not prepared to recommend his head office to expand its operation there.

He was reflecting bankers' concern that the growing complexity of banking systems in other Gulf states was lessening the need for the OBUs. Much of their business has been picked up by feeding on the inadequacies of Gulf commercial banks. The OBUs are unpopular with other states, which have taken restrictive measures to make life more difficult for offshore bankers.

Confidence is being undermined and business damaged by political uncertainty in the Gulf after the fall of the Shah of Iran and the attack on Mecca's Grand Mosque. Bankers are particularly worried that the United States may take tougher action against Iran. "The whole banking presence here rests on two things—stability and communications". Mr Alan Moore, former adviser to the Bahrain Monetary Agency (BMA), says. Another banker added: "This is a real market but it is also very fragile".

Officially bankers remain confident and banks are still applying for offshore licences. Assets continue to grow, but not at the rate of two years ago. They totalled \$27,600m at the end of November, compared with \$23,400m at the end of 1978. Bankers say that the assets of small and medium-sized banks are still growing, but those of the larger ones have fallen a little. Mr Moore says that assets will grow at a significantly slower rate than in the past. We always expected it to come. OBUs had achieved a major share and there was a point at which they could not expect to grow much more.

With business slowing, the BMA is anxious not to grant too many more licences. There are already more than 90 banks in Bahrain, 52 of which have offshore licences. Earlier this year bankers were expressing concern that the quality of banks allowed in was falling.

The BMA has cut back on licences in the past six months and will grant them only to banks, mostly from the Far East, which will broaden the market. The Bank of Tokyo, for example, recently received a licence, and Pank Bumiputra Malaysia and Overseas Trust Bank of Hongkong opened offshore banks last year. Further licences for European or American banks are thought unlikely.

Privately, however, bankers admit that political and economic pressures in the Gulf are harming Bahrain's position as a banking centre. Regional activity, which accounts for nearly 70 per cent of business, is falling. Saudi rials and Kuwaiti dinars have been back in recent months. Both Saudi Arabia and Kuwait have decided to stop denationalising big contracts in local currencies. Contractors no longer have to cover any possible exchange rate loss. Also, bankers say, an increasing amount of rial business will be done in Saudi Arabia as the market becomes more advanced.

The Saudi decision will particularly hurt the large offshore banks, which have large rial books. The slight fall in Bahrain's rial business in the third quarter of 1979 could signal a bigger drop. Saudi Arabia provides up to 50 per cent of banks' business and was expected to be the basis of the next 20 years' operations.

Kuwait has greatly resented the flood of funds to the lower Gulf which has made life very difficult for its commercial banks. Changes in its liquidity requirements, introduced in February, 1979, to stop the drain of short-term funds to Bahrain, have blunted the OBUs' competitive edge. The regulations said that deposits of more than one month held with banks outside Kuwait could not be regarded as liquid—25 per cent of a Kuwait bank's deposits have to be liquid. The result is that some OBUs have reduced their dollar book by more than 50 per cent.

Similar regulations are being considered by the U.A.E. Dubai banks concerned at the depressed state of the dirham money market, say it would be only logical for the Currency Board (central bank)

to stop the flow of short-term funds to Bahrain.

Bahraini bankers reject criticisms that they have an unfair advantage and deny responsibility for the drain of funds. They say that money comes to Bahrain only because of the inadequacies of the regional banking system. Some feel that restrictions will harm other states more than Bahrain. Others are more cautious. "As an offshore bank, you are dependent on the regulations of other countries, which are out of your control. If they tighten up, you are bound to have problems", one offshore banker said.

Further cuts in the lucrative Gulf currency dealings will reduce the profitability of the Bahraini offices. Its only advantage as a money-market would then be that it complements London and Singapore to complete a world money market, operating on the different time bands.

The BMA maintains that no one is losing money even though profit margins are getting tighter and there are not the easy profits of the early years. Mr Moore says that the "audited accounts show all who have been here for a year are making money". Some bankers say the figures may be misleading as many banks use Bahrain as a booking centre, particularly for Far Eastern loans. Mr Moore rejects this saying that most banks only book "what they generate here".

No banks have yet withdrawn but the cost of maintaining a Bahrain office must be getting increasingly prohibitive for the smaller banks and some have cut their operations to a minimum. A Bahrain office is expensive. Bankers say there is no way to make a profit in the first two years of operation. An initial commitment of \$3m to \$4m is essential and running costs range from \$500,000 to \$1m. Bankers usually hope to cover most of this cost with foreign exchange revenue. "The corporate lending does not then have to be abnormally large and it gains more and more momentum", one banker said.

If other business slumps, banks could easily lay more emphasis on investment banking. Bahrain introduced investment banking licences

in 1977 to fill a gap between the commercial and OBU licences. Those banks with investment licences have become increasingly active, advising on securities and property in the United States.

Mr Moore says that the financial assets of Middle East countries will expand as development slows and will need to find ways of investing them overseas. Bankers say it is logical for banks to be involved in this type of business. One says that "we have very sound commercial banks, the sharp and goes to the OBUs and we are now looking for greater sophistication".

While the offshore banks are having to reassess their positions, the commercial banks have settled into a pattern with a fairly steady increase in lending. After a poor year in 1978 when lending increased by only 8 per cent to 341m dinars (\$888m), it increased by 16.5 per cent last year to 397m dinars (\$1,036.9m). It was unreasonable to expect the boom year of 1976, when loans increased by 67 per cent, to continue and the BMA says that the growth of commercial banks will be at the same rate as that of the general economy.

Despite the limited number of construction projects (because of the flagging economy) and the cut in business for those banks specializing in trade finance, the commercial banks have produced healthy results. The National Bank of Bahrain, for example, made a record 3,680,000 dinars (\$9,700,000) profit last year, 25 per cent up on the previous year.

While Bahrain's banks could not expect to continue growing at the fast rate of the middle 1970s, there are signs that they could be facing more than just a temporary setback. If any banks did decide to leave, it would be a serious blow to the island's economy and its aim to set itself up as a services centre. Bankers are unwilling to predict what will happen but the political and economic uncertainties have made them less confident than they were a year ago.

Nigel Dudley

Middle East Economic Digest

Industry

Aluminium and ships vital

The words "Gulf cooperation" are never very far from the lips of Mr Youssef Shirawi, the Minister for Industry and Development. It is clearly crucial to a country like Bahrain with a limited industrial base, that the duplication of industries in the Gulf does not cause them all to make unsustainable losses.

Some say that Mr Shirawi is naive and that Gulf states have been slow to put their intentions into action. They point to the lack of cooperation with Dubai, which has built a dry dock and aluminium smelter to compete with Bahrain's main industries.

However, the minister remains confident. He says that Bahrain's industrial base—Aluminium Bahrain (Alba) and the Arab Shipbuilding and Repair Yard (ASRY)—will help to confirm the island as a services centre. The companies are also important as earners of foreign currency, which is vital as oil revenue declines, and as providers of employment. Alba alone employs 4 per cent of the working population and the smaller ancillary industries from both Alba and ASRY provide a lot of work for locals. ASRY has service agreements with local companies, worth \$2.6m.

Bahrain is unlikely to have many more large industries. The Government hopes that closer links with Saudi Arabia, particularly after the causeway is built, will enable Bahrain to build smaller factories to supply the big industrial projects in Saudi Arabia.

Recently Mr Shirawi's policies received a boost with Kuwait's decision to support a petrochemicals complex and iron ore pelletization plant in Bahrain. In September it set up a \$300m petrochemicals complex—the Bahrain-Kuwait Petrochemical Industries Company—which is to produce methane and ammonia at a plant in Bahrain.

The company will have BD140m (\$368.4m) capital, shared between the Bahrain National Oil Company (Banoco) and the Petrochemical Industries Company of Kuwait. The iron ore pelletization plant, also to be built in Bahrain, would process imported iron ore, using Bahrain's non-associated natural gas. A further example of

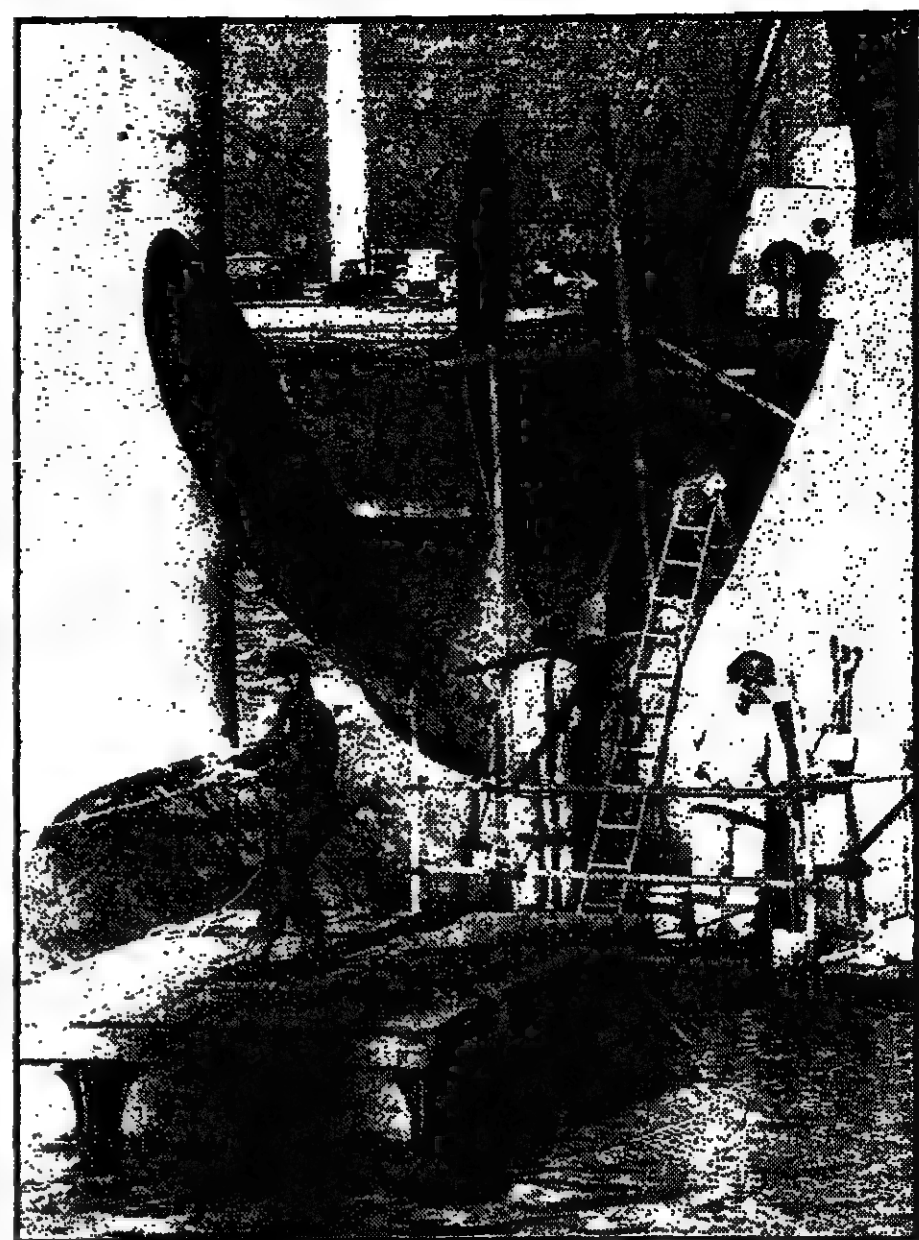
inter-state cooperation is Saudi Arabia's decision last July to take a 20 per cent stake in Alba, to be held by Saudi Arabian Basic Industries Corporation (Sabic), the government-owned industrial investment company. This leaves the Bahrain Government with a 57.9 per cent holding—the rest the company is owned by Kaiser Aluminium Bahrain (17 per cent) and Breton Investments of West Germany (5.1 per cent).

Saudi Arabia has also taken a 26 per cent holding in Bahrain Aluminium (Balco), which marks the Government's share of aluminium production. This is equivalent to 20 per cent of the Bahrain Government's holding in Alba. Mr Shirawi cites this as an example that his policies can work, but others are more cautious: they point out that Saudi Arabia still intends to build its own 250,000 tonne smelter at Jubail—Alba's present capacity is 120,000 tonnes. Mr Shirawi, though, is confident that the two plants will complement each other and that the Saudis will benefit from Bahrain's 10 years' experience in operating smelters.

Alba will also face competition from Dubai Aluminium (Dubal), which plans to start production in 1981 with a capacity of 135,000 tonnes. Alba is the most experienced company and will have the lowest production costs but observers are far from sure there will be enough demand to justify three smelters in the Gulf.

At present things are looking good for Alba. The 50 per cent rise in the spot price of aluminium came at the right time—until then, which more than 50,000 tonnes of ingots stockpiled, its only alternative was to sell at uneconomic prices or continue increasing stocks. Now, the world energy shortage should ensure continued demand and high prices.

The improvement in Alba's fortunes has enabled it to go ahead with a BD 45m (\$117.1m) expansion plan, which will increase production by 45,000 tonnes to 165,000 tonnes. Increased production should have the added bonus of reducing costs by \$70 to \$80 a tonne. Cheap gas from the Khuff field enables Alba to fuel its own power station fairly



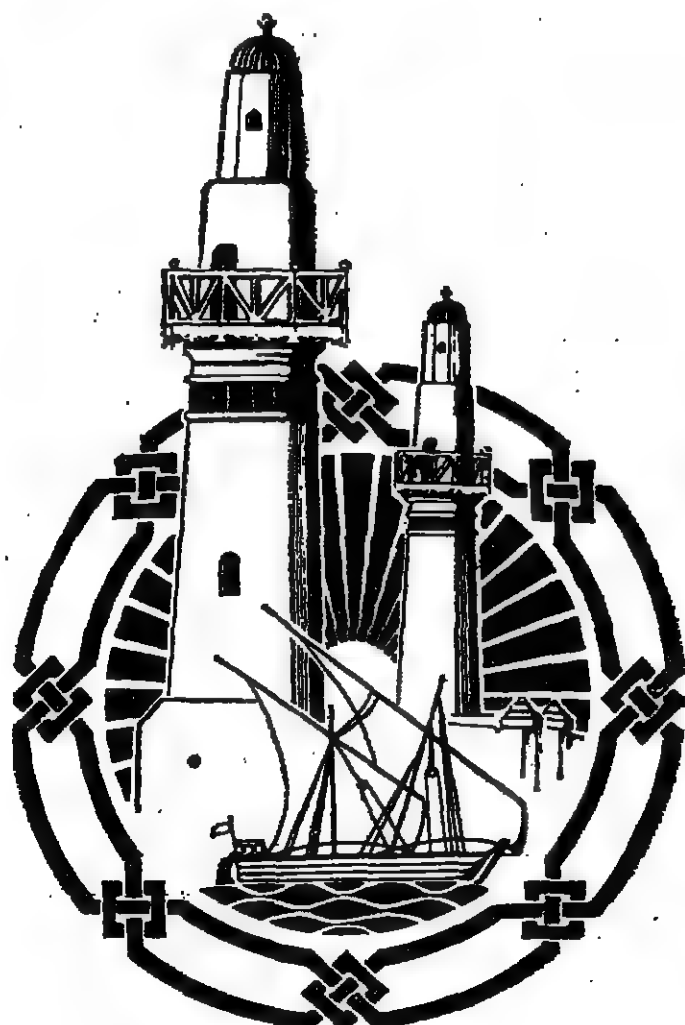
The Ayab Shipbuilding and Repair Yard, full for 90 per cent of the time last year, can handle crude carriers up to 450,000 tons.

Balexco sells 20 per cent of its 4,000 tonne a year production locally and exports the rest to other Gulf states. But there are already too many extrusion plants in the Gulf and each state is anxious to protect its own industry. Saudi Arabia put a surcharge on imports of extrusions from Balexco, because Balexco was undercutting its own Aluminium Products Company (Alupco).

This illustrates the difficulties of getting states to cooperate. Unless the difficulties can be solved it is hard to see projects like the proposed \$500m rolling mill getting off the ground, as there is no demand for more than one such plant.

When Dubai's large three-barth ship repair yard gets a management team, there will be two yards in the Gulf and unless they find some way of working together, they could both face unsustainable losses. Asry has an 18-month start on Dubai and the backing of its Opec shareholders, but its managers concede that cooperation is essential for both docks. After an uncertain start, when it was hard to get ships to use the dock despite a 20 per cent discount, business has improved. The dock's manager—Lisnave of Portugal, which operates one of the largest tanker repair yards in Europe—says it has attracted international companies like Mobil and Exxon, as well as 39 Arab shipping lines. The dry dock, which can handle very large crude carriers (VLCCs) up to 450,000 tons was full for 90 per cent of the time last year.

N. D.



For your local business
throughout Bahrain and Kuwait
and for your international transactions
you cannot do better than consult the

BANK OF BAHRAIN AND KUWAIT

Authorised capital and reserves exceed US \$40 million

Head Office and Main Branch
Pearl of Bahrain Building, Government Road,
Manama, PO Box 597, State of Bahrain
Telex: 8919 BN—Fx Telex: 8284 BN
Telephone: 253388/252626

Kuwait Branch
PO Box 24396 (Safat),
Telex: 3242/3243 (Foreign
Exchange), 3220/3246 (General)
Telephone: 417140 (8 lines)

BAHRAIN: FACTS AND FIGURES

For the traveller

How to get there

Bahrain's International Airport, on Al Muharraq island, is one of the best in the Gulf. A principal stopping point for wide-bodied jets travelling to the Far East, it was Concorde's first destination. There are usually several flights a day from London and near-daily flights from Paris and Amsterdam. Ongoing flights to Australia and the Far East are also frequent. Gulf Air, jointly owned with other Arab states, provides local services and also operates direct flights to Europe.

Travel documents

Visas are required by all visitors except nationals of Britain and of neighbouring Arab states. British citizens' passports should show either the place of birth or the normal place of residence as being within Britain.

People holding onward or return tickets can obtain 72-hour temporary visas at the airport; these can be extended for a fee paid to the Department of Immigration. Those whose passports indicate that they have visited Israel are advised to check with their own national authorities before attempting to visit Bahrain. Non-Muslims are permitted to import limited quantities of wine and spirits.

Local travel and communications

Taxis are plentiful and can be recognized by their orange mudguards. Each driver carries a booklet listing the rates fixed by the Government. The capital, Al Manamah, is connected to all outlying areas by buses; they run regularly but often only at intervals of about an hour; since flat rates are used, they offer probably the cheapest way of travelling.

Cars can be hired on a daily or monthly basis, and trucks are also available for daily rental. Visitors are advised, however, to inspect

vehicles carefully before entering into an agreement. International driving licences are accepted, but they have to be endorsed by the Ministry of the Interior and local licences are required within a month.

Tips are expected by airport porters, and it is usual for hotels and restaurants to add 10 per cent or so to bills. But taxi drivers are not generally tipped. Telephone and international telecommunications are exceptionally good.

Language

Orthodox Arabic, similar to that used in Iraq and other Gulf states, is the official language. Many businessmen and government representatives speak English fluently; however, the services of interpreters are available if needed. In the non-Arab communities, Persian and other South-east Asian languages are often spoken.

Currency

The Bahraini dinar (BD) was introduced in 1965 when the island ceased to use the Indian external rupee. The dinar is divided into 1,000 fils and is worth approximately 85p. Major hotels, restaurants, airlines and travel agencies accept both credit cards and travellers' cheques. Dollar bills are also acceptable.

Climate

December to March are the coolest months, although average high temperatures in this period range from 19deg C to 25deg C. Rainfall is minimal and largely confined to December-May, but humidity is high. From May to October the heat is intense. June is cooled by the Bara, blowing from the north. The Shamal, a moist wind from the north-west, or the Qaws, a hot, sand-carrying wind from the south, dominate the rest of the year.

Time differential

Greenwich Mean Time plus three hours.

Local customs and advice to visitors

Where business relations are concerned, Bahrainis place a high value on personal contacts. Western businessmen are advised not to rush into discussions of projects, and not to take offence if they discover their potential partner is considering other foreign offers. Bahraini businessmen often deal in a wide range of goods, and like their counterparts around the world they are concerned not only with price but with reliability in delivery dates and with guarantees of adequate after-sales service.

Bahrainis believe that one man is as good as another, whether he be pauper or rich man. They take a more relaxed view of foreigners than is the case in other Arab countries, and the country is one of the few in the Middle East where alcohol is freely available. It can be bought in retail shops without a permit, and prices for spirits are fairly low. Despite his tolerant outlook, the Bahraini is nevertheless better disposed to those visitors who respect his religion and demonstrate an understanding of Ramadan and the times of prayer.

It is not unusual for sheikhs to send invitations to functions taking place later in the day, and acknowledgment of these are not usually taken as parties, and like their counterparts around the world they are concerned not only with price but with reliability in delivery dates and with guarantees of adequate after-sales service.

until the cup is shaken from side to side by the guest. Plates are piled high at mealtimes, and if they are cleared the host will conclude that he has not served sufficient food; it is acceptable to leave part of the meal. The right hand only is used when eating with fingers or when offering food, cigarettes and the like to others. It is also quite usual for a guest to leave as soon as the meal is finished and he has washed his hands.

Lavish expressions of gratitude when gifts are offered are frowned upon, although visitors are urged to be natural in their dealings with Bahrainis. Married Arab ladies are apt to ask personal questions of their European counterparts, and it is regarded as impolite to ask an Arab woman to dance without first asking permission of her husband or some other member of her family.

Hours of business

The Bahraini working week is from Saturday to Thursday morning, with the weekend break taken on Thursday afternoon and Friday. Usually, government offices are open from 7 am until 1 pm; banks from 7.30 am until midday (11 am on Thursdays); businesses from 7 am until midday and then from 2.30 to 5 pm; and shops from 8 am until noon and from 3.30 to 6.30 pm. Shops in the souks sometimes remain open on Friday mornings. One hour less is worked by all during the month of Ramadan.

What to wear

In the four winter months from December to March medium-weight clothing is recommended, but for the rest of the year lightweight vest will suffice. Sunglasses are essential. Evening dress is worn only on formal occasions.

Embassies

Bahrain Embassy in London, 98 Gloucester Road, London SW7 4AU. Telephone 01-370 5132.

Ambassador Extraordinary and Plenipotentiary: Ali Ebrahim al-Mahroos.

Minister Plenipotentiary: Dr Wasfi Nimer.

Second secretaries: Ahmad Abbas, Ebrahim Al-Mannaai and Hafeed S. Maki Haskim. Cultural attaché: Hassan Al-Muntaradi.

British Embassy in Bahrain, Government Road North, Al Manamah. Telephone 254002.

Ambassador Extraordinary and Plenipotentiary: Harold Berners Walker.

First secretary: L. E. Walker (Commercial).

Second secretaries: R. Caning (Consul) and C. E. J. Wilton.

British Council representative: G. E. P. Ness, PO box 542, Al Manamah.

General

The Emir

For nearly 200 years, Bahrain's rulers have been members of the al-Khalifa family. The first head of state was Shaikh Ahmad, who conquered the country in 1782. The present ruler, Shaikh Isa bin Sulman al-Khalifa, is the tenth member of the Arab dynasty to hold the emirate. Shaikh Isa came to power in 1961, on the death of his father, Shaikh Sulman bin Hamad. Although only 28 at the time, he had nearly 10 years' experience of helping to administer his country's affairs: on the Council of Regency, as President of the Al Manamah Municipal Council, and as a member of the Council of Administration. The heir apparent is Shaikh Hamed bin Isa al-Khalifa.

houses the fishing community and a number of small businesses. Sitra Island (three miles long and a mile wide) is largely industrial.

The country

Thirty-five islands, covering about 255 square miles, make up the state of Bahrain. The largest, known as Bahrain ("Two Seas"), is about 30 miles long and eight to ten miles wide. Fifteen miles to the west is the coastline of Saudi Arabia. The island of Al Muharraq, to the north-east, is connected to Bahrain and its capital, Al Manamah, by a 11-mile causeway; Sitra Island, to the east, is similarly linked.

The land is low-lying, rocky and incapable of supporting much natural vegetation apart from desert plants. A green belt has been created, however, and there is a narrow strip of fertile land in the north. Gazelles and hares exist in the south, although their numbers have been decimated by hunters. Scorpions and the huge camel spider, both dangerous, live on the island but are seldom found in urban areas.

The flag

Red, with white serrated vertical bar next to the staff.

Main towns

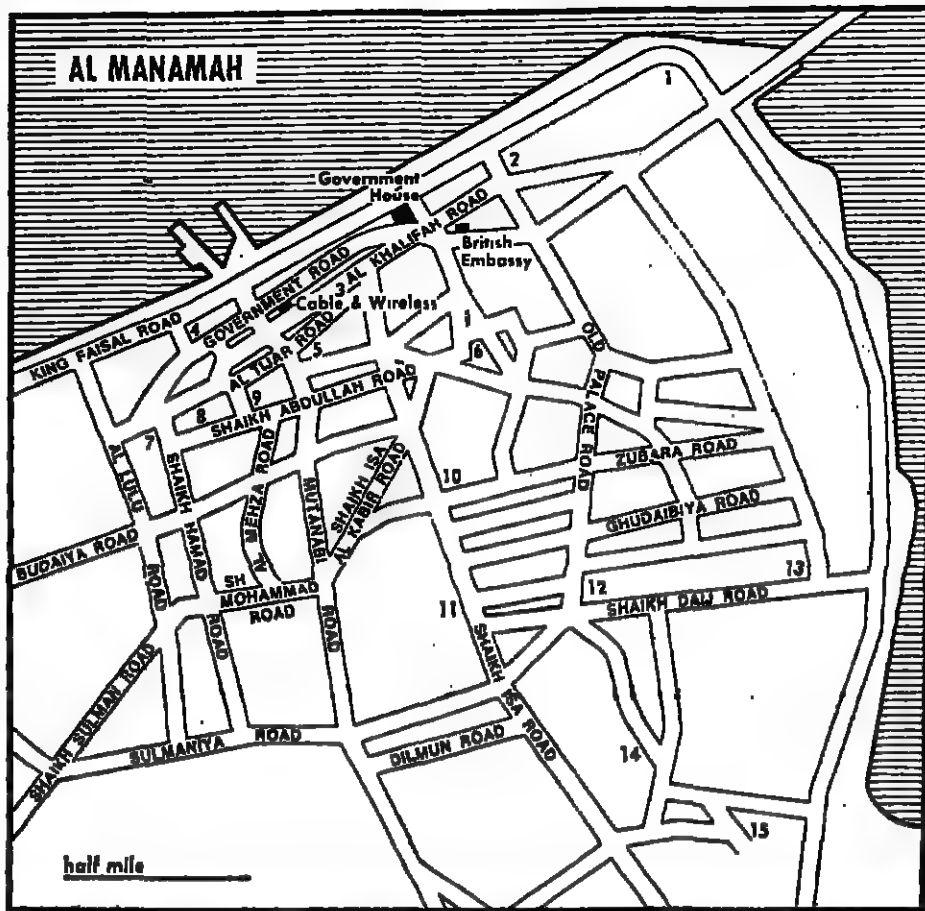
Al Manamah, the capital and commercial centre, is on Bahrain's north-east peninsula. To the south-east is Isa Town which has, with East and West Rifaa, served as a residential area for the capital. Awali, the oil town, is roughly in the centre of the main island. The international airport stands on Al Muharraq (four miles long and a mile wide), which

History

Because of its position, Bahrain has for centuries been an important trade centre and transit port. The island's changed hands constantly until the eighteenth century, when the Al-Khalifa became the ruling family. Interested in Bahrain's pearling industry, they clashed with the Persians and seized control. They were driven out by Omanis at the end of the eighteenth century, but eventually—this time with the help of the Persians—they consolidated their position on the island.

In the opening decades of the nineteenth century, strong links were forged with Britain. Anti-piracy and slavery treaties were signed by the two countries. In 1861 Shaikh Muhammad effectively passed the handling of foreign policy to Britain, and its position as the country's principal trading partner became assured for decades.

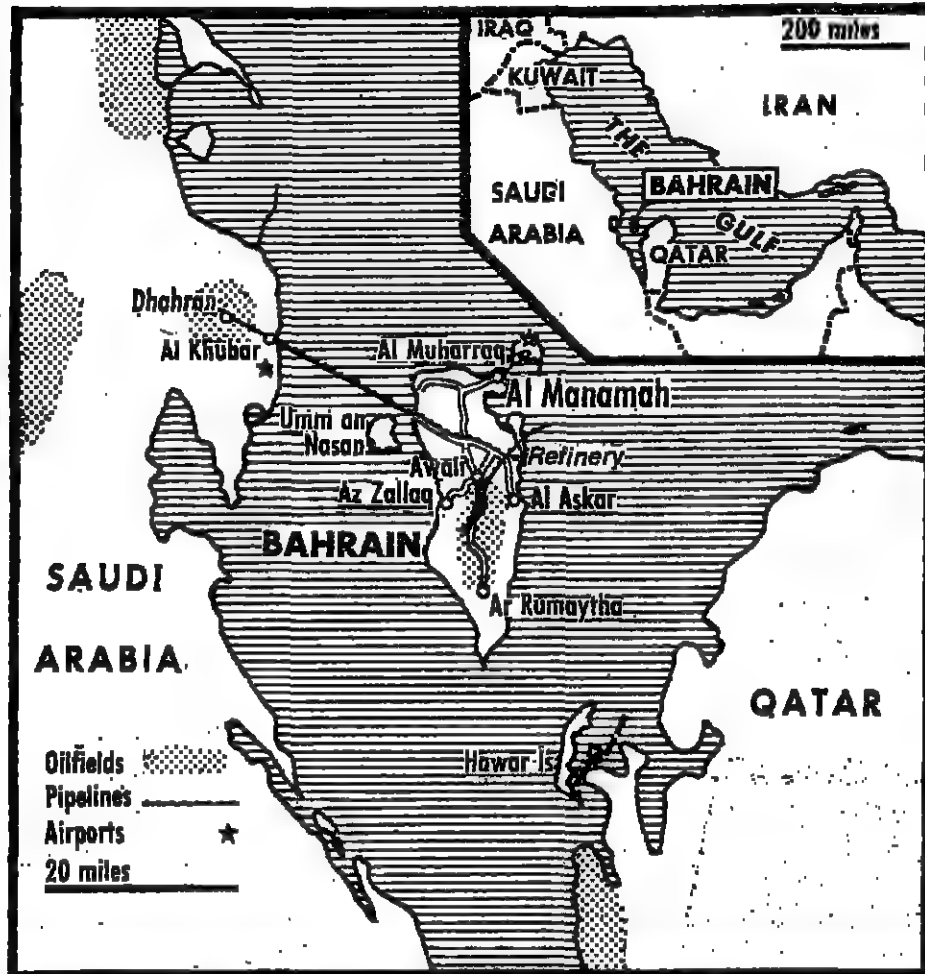
Bahrain's emergence as a modern state is traced back to Shaikh Hamed's succession in 1933. A progressive, the new emir helped to establish education and health services, and presided over the discovery and exploitation of the country's oil reserves. Bahrain replaced Aden as Britain's Middle Eastern military headquarters in 1957, and independence became effective in 1971, when the United Kingdom withdrew its forces east of Suez.



Hotels in Al Manamah

(see map, left)

Name	PO box	Telephone	Telex
Al Jazira	5898	59842	8999
Bahran (8)	577	253478	8288
Bristol (11)	832	258989	8504
Capital (5)	153	258955	8296
Delmo (4)	25	234330	8224
Gulf (15)	580	712831	8241
Hilza (2)	1070	230030	8288
Holiday Inn (1)	5831	253534	
Le Vendome	5353	277777	8888
Middle East (10)	248	254733	8296
Moon Plaza	247	8233	8305
Omar Khayyam (13)	771	713941	8401
Park (3)	273	253533	
Ramses (14)	5750	714921	8855
Royal (12)	154	714801	877
Shahra (9)	839	270850	8345
Speed Bird (6)	673	253558	8806
Tylos (7)	1086	252800	8349



Bahrain Encompassing the Economy of the Gulf

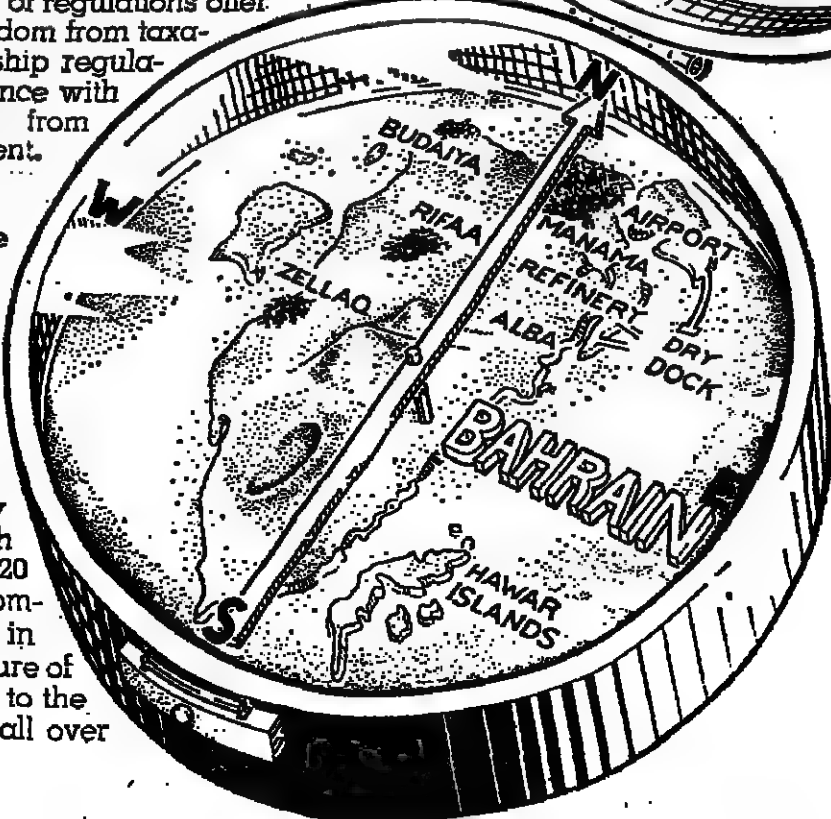
Bahrain's commercial and financial activities encompass the Gulf. Since the Dilmun civilisation of 3,000 B.C. the island nation has been a major trading base. Today, Bahrain continues the role.

New companies, setting up in Bahrain share the unique advantages of the country's excellent geographical position—sophisticated telecommunications systems—world-wide airline services—political stability—expatriate social amenities and well regulated commercial laws.

Now Bahrain offers two additional pieces of legislation which will encourage further companies. Investment Banking Licences and the Exempt, or Offshore, Companies Act. These moves demonstrate Bahrain's progressive and flexible attitude to commerce—both sets of regulations offer substantial advantages with freedom from taxation, freedom from local ownership regulations, and in some cases assistance with subsidised land and freedom from import duty on capital equipment.

Bahrain's Ministry of Commerce and Agriculture handles each licence application on an individual—rapid—basis.

Companies establishing offices in Bahrain will join a thriving community. An Offshore Banking Industry including over forty major international banks, with local assets in excess of U.S. \$20 billion, four hundred and fifty commercial companies engaged in activities diverse as the manufacture of mattresses or aluminium cabling to the repair of massive turbines from all over the Gulf.



For further details of these new "Offshore" licences, and more information about joint ventures or sponsorship for business in Bahrain, write to the Ministry of Information, Box 252, Bahrain.

"Better go Gulf Air..."



...they know the way"

We know the way modern business demands a direct daily link between the United Kingdom and the Gulf, with immediate onward connections throughout the area. That's why we scheduled two luxurious TriStar flights daily from London at convenient times, to link up with our comprehensive Intra Gulf network.

We know the way regular travellers appreciate our roomy seating and unique Golden Falcon Service. With superb international catering, plus fine French wine, full length movies and audio entertainment, all with the compliments of Gulf Air. Better go Gulf Air, twice daily from London to the Gulf.

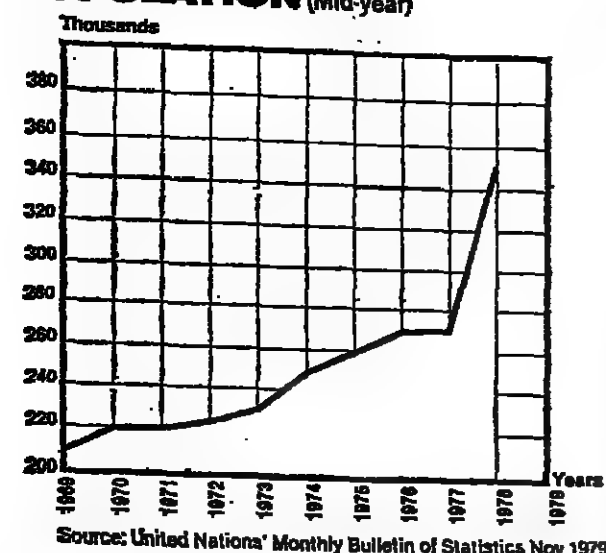
* Gulf Air is a member of 'La Confédération de la Chaîne des Rotisseurs'—one of the world's oldest and most famous gastronomic societies.

طيران الخليج
Bettergo GULF AIR

ABU DHABI AMMAN AMSTERDAM BAGHDAD BAHRAIN BANGKOK BEIRUT BOMBAY CAIRO DHAHRAN DOHA DUBAI HONG KONG JEDDAH KARACHI KUWAIT LARNACA LONDON MANILA MUSCAT PARIS RAS AL KHAIMAH SALALAH SHARJAH TEHRAN

مكتبة الأصيل

POPULATION (Mid-year)



The people

Estimates suggest that by the middle of 1979 Bahrain's population had reached 350,000. Most of these are concentrated around the capital in the north. About 80 per cent are said to be of Arab ethnic origin and 12 per cent of Iranian. The remainder originate from other parts of the Arabian peninsula, from India and from Pakistan. Six to seven people in every 10 live in the larger cities, and most are young. The people are divided about evenly between the Sunni and Shia sects of the Muslim religion, although the Shia are possibly more numerous.

Shopping

Al-Khalifa Road and Government Road, with their adjacent suks, are the main shopping thoroughfares. Well-known department stores, selling almost anything, are Jashanmal's in Al-Khalifa Road and Ashraf's, on Shaikh Isa Road. Most visitors, however, prefer the suks, with their narrow streets and small, open-fronted shops. One of the best known areas is the gold market in Al-Manamah Suk. Brass and copper objects are regarded as good buys, although most are made in Iran or India. Locally-made pottery is available but it is not notable for strength. There are often bargains to be had in jewelry, some of it containing Bahraini pearls.

Sport and leisure

Bahrain is one of the leading countries in the Gulf for organized sport. Its football and swimming teams regularly tour the region, as do its cricket and rugby clubs. The country's Sports Com-

mittee encourages all schools to participate in athletics, swimming, shooting, fencing, show jumping and tennis. It is estimated that more than 70 per cent of the population is 20 years or younger.

Health and water supplies

Visitors are asked to produce an up-to-date international certificate of vaccination against smallpox, and must be immunized against yellow fever if arriving within six days from an infected area. Malaria is sometimes prevalent, and precautions should be taken. TAB is advisable. Free medical services exist for residents, and there are a score or so of hospitals.

Public holidays

Islamic holidays depend on the Muslim lunar calendar and consequently may differ by one or two days from the dates given. Businessmen are advised to stay away during the month of Ramadan, which ends with the three-day holiday of Id al-Fitr. The Muslim year has only 354 or 355 days and consequently holidays fall 10 to 11 days earlier each year on the Gregorian calendar.

	1980
Prophet's birthday	Jan 29
Id al-Fitr (end of Ramadan)	Aug 12-14
Id al-Adha	Oct 19-21
Id al-Hijra (new year)	Nov 8
Ashura	Nov 17
National Day	Dec 16

Industry and politics

The Government

The state of Bahrain is run by a Cabinet, many of whose members are related to the Emir. The Prime Minister is Shaikh Khalifa bin Sulman al-Khalifa, and al-Khalifa is also responsible for defence, development and industry, education, foreign affairs, housing, the interior, justice and Islamic affairs, labour and social affairs. Under the constitution all citizens are regarded as equal before the law. Freedom of speech, expression and assembly is guaranteed, although public gatherings and processions are not permitted if they are considered to be a danger to peace or security.

In January, 1970, the Emir delegated executive authority to a council of ministers but retained sovereign power. Until August, 1975, the country had a national assembly with legislative authority: this consisted of 30 members elected by male suffrage and 12 ministers. But there was dissent between the elected members and the Government and the body was dissolved. A number of old merchant families have considerable political influence.

The country is broken into five rural areas administered by municipalities reporting to a central municipal council. The first municipality, Al-Manamah, was established in 1919 and is by far the oldest in the region.

Trade

Britain has traditionally been Bahrain's chief supplier, holding something like 19 to

Gross domestic product (millions of Bahraini dinars)

	1975	1976	1977
	364,100	538,000	655,600

Government departments: capital spending (Bdm)

Ministry	1977	1978	I*	II	I+II	1978	I	II	I+II
Works, electricity & water	57.8	61.9	65.9	21.7	90.6	16.8	44.8	61.6	61.6
Housing	42.3	36.7	10.6	—	10.6	0.6	30.0	30.6	30.6
Health	8.5	4.5	0.7	2.9	3.6	—	6.5	6.5	6.5
Education	4.5	6.2	0.3	3.1	3.4	—	6.3	6.3	6.3
Youth & sport	3.8	0.5	1.2	—	1.2	3.3	—	3.3	3.3
Interior	1.8	4.2	1.2	1.1	2.3	—	2.1	2.1	2.1
Finance & national economy	13.1	18.2	6.4	0.1	6.5	—	1.8	1.8	1.8
Commerce & agriculture	1.3	2.4	0.9	1.0	1.9	0.5	1.0	1.5	1.5
Defence	1.4	3.6	2.1	1.1	3.2	—	1.1	1.1	1.1
Transport	0.1	0.2	—	1.0	1.0	—	1.1	1.1	1.1
Development & industry	0.9	1.2	—	1.4	1.4	—	0.8	0.8	0.8
Information	1.0	2.1	2.0	1.0	3.0	0.2	0.4	0.6	0.6
Others	2.2	3.3	8.7	0.8	1.3	—	1.4	1.4	1.4
Total	138.5	145.0	95.0	35.0	130.0	21.4	97.3	118.7	118.7

*I=current projects, II=new projects. Figures for 1980 are derived from World Bank estimates made in February, 1978, in current price terms.

20 per cent of the market. The country was ousted from first place by the United States in 1974, but this was because of the import of an unusually large number of single heavy items for new industrial projects. Other important industrial trading partners are West Germany and Japan, with Taiwan steadily gaining ground.

Bahrain's main supplier of food—especially frozen meat—is Australia. West Germany and Italy send in up-market

textiles and furniture, while Taiwan has won a large share of the market for cheap textiles and crockery. The Koreans have also been active recently, winning multi-million dollar contracts. Japan is Bahrain's principal outlet for its minimum, taking about three quarters of its total output in 1977.

Trade with neighbouring states is also increasing. Saudi Arabia, in particular, imports Bahraini goods.

Principal ministers

Prime Minister: Shaikh Khalifa bin Sulman al-Khalifa
Interior: Shaikh Mohammed bin Khalifa al-Khalifa
Commerce and Agriculture: Habib Ahmed Kasim
Defence: Shaikh Hamad bin Isa al-Khalifa
Development and Industry: Yusuf Ahmad al-Shirawi
Education: Shaikh Abdulaziz bin Mohammed al-Khalifa
Finance and National Economy: Ibrahim Mohammed Abdulkarim
Foreign Affairs: Shaikh Mohammed bin Mubarak al-Khalifa
Health: Dr Ali Fakhr
Housing: Shaikh Khalid bin Abdullah al-Khalifa

International trade (Bdm)

	1974	1975	1976	1977	1978
Britain	25.7	42.8	68.4	87.0	90.2
Japan	(14.8)	(18.4)	(17.8)	(19.6)	(18.9)
United States	23.2	27.4	53.7	58.9	65.3
West Germany	(13.2)	(11.8)	(13.9)	(15.5)	(14.4)
Australia	31.7	36.3	57.4	53.3	53.7
France	(18.1)	(15.6)	(14.8)	(12.0)	(11.8)
Italy	8.3	11.5	24.8	26.2	36.8
Others	(4.7)	(5.0)	(6.4)	(5.9)	(6.1)
Total	10.1	12.9	20.3	22.0	26.0
France	2.7	11.5	8.8	14.6	17.8
Italy	(1.8)	(5.0)	(2.3)	(3.3)	(3.9)
Germany	3.2	7.3	9.5	11.3	10.8
Japan	(1.8)	(3.1)	(2.4)	(2.5)	(2.4)
Others	71.0	33.8	144.7	180.6	155.5
Total	(40.3)	(35.8)	(37.4)	(36.0)	(33.9)

Source: Bahrain Government. Figures have been rounded to millions. Figures in parentheses are percentages.

The economy and the budget

Oil is the fuel that drives the economy of Bahrain—a small archipelago of 19-lying islands about halfway down the Gulf and some 15 miles off the eastern coast of Saudi Arabia. Long before the birth of Christ, the country was famous for its pearls; these are still gathered today. But petroleum and gas are now the main resources with real significance.

Bahrain was the first of the Gulf states to discover oil and the first to exploit it. Inevitably, perhaps, it is likely to become the region's first post-oil state, since the reserves are expected to be exhausted by the end of the century. Earlier this month the Government announced that the expected daily output of oil this year is 47,500 barrels, compared with 51,350 barrels in 1979.

Non-oil imports by commodity

	1974	1975	1976	1977	1978
Machinery, transport equipment	52.5	86.0	155.6	161.1	171.4
Manufactured goods*	48.1	57.0	96.2	106.2	101.7
Other manufactured articles†	23.5	33.0	49.6	76.3	61.8
Food, live animals	24.9	24.5	39.4	42.9	51.2
Chemicals	14.8	18.5	21.5	30.9	39.0
Beverages, tobacco	4.6	6.0	8.6	10.2	10.9
Others	7.6	7.9	18.7	17.3	17.3
Total	176.0	232.9	387.6	444.9	453.3

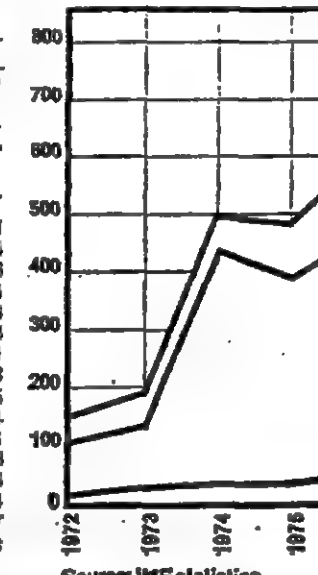
* Classified by material, and including alumina. British Government source.

Balance of payments, Bahrain (Bdm)

	1976	1977	1978
Visible trade	463.2	572.5	585.5
Oil exports fob	272.2	357.8	338.9
Oil imports cf	-191.0	-214.7	-246.6
1. Net oil transactions	136.5	157.6	147.6
Non-oil exports fob	387.7	445.0	453.4
2. Net non-oil transactions	-25.1	-28.4	-30.5
1+2 (visible trade bal-ace)	-60.1	-72.7	-59.2
3. Services, transfers and non-monetary capital (net)	+90.1	+79.8	+122.5
Comprising:—			
Investment income	+11.3	+12.0	+15.2
Travel	+11.0	+12.0	+12.0
Workers' remittances	-100.0	-120.0	-150.0
Official transfers	+0.5	+39.9	+36.4
Official loans (net)	+10.4	+2.2	+14.2
Direct investment	+55.0	+50.0	+35.0
Others, including errors, omissions	-101.9	+83.7	+159.7
1+2+3 (overall balance)	+30.0	+7.1	+63.3

Estimates based on International Monetary Fund figures.

EXPORTS (Millions Bahraini Dinars)



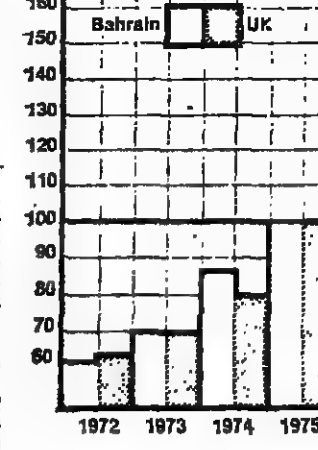
from which income is shared equally with Saudi Arabia, and by rising world prices for oil. These two factors mean that Bahrainis are looking forward to oil revenue providing nearly 70 per cent of the country's total income in the financial year 1980-81, compared with just under 60 per cent in 1979-80.

The recently announced budget makes it clear that spending will run at record levels in all sectors and that general living standards will be further improved.

Nearly BD80m will be spent on power generation, transmission, and distribution, and some BD60m has been earmarked for 4,000 homes—roughly 10 per cent of Bahrain's existing housing stock. About BD12m will be used to improve water supplies, BD17m for education and BD8.5m for health facilities. Huge construction and improvement projects are planned to ease bottlenecks created by the 60,000 vehicles on the country's overcrowded roads. Total expenditure is put at BD300m.

Acutely conscious of the steady dwindling of their internally-generated oil supplies, Bahrainis have been carefully developing their industrial base. In addition to refining oil, they now prospect for aluminium, have impressive ship repair facilities, a growing reputation as bankers, and a highly-developed transport network.

CONSUMER PRICES



Main British exports to Bahrain (£m)

	1976	1977	1978	1979*
Power generation machinery & equipment (71)	4.5	5.4	5.9	23.8
Transport equipment† (79)†	9.7	15.0	19.6	19.0
Chemicals, etc (section 5)	6.1	11.4	12.3	10.0
Metal manufacturers not elsewhere specified (82)	4.9	9.8	12.1	6.5
Electrical machinery, apparatus & appliances (77)	8.0	9.2	8.8	6.4
General industrial machinery & equipment (74)	na	7.6	7.3	5.9
Food & live animals (section 1)	3.3	4.2	5.3	3.5
Specialized machinery (72)	na	7.1	4.7	3.3
Furniture (82)	2.4	3.4	4.1	2.6
Others	50.8	40.6	39.6	35.9
Total	89.5	113.9	116.9	116.9

* Other than road vehicles.

† Figures in parentheses refer to standard international trade classification divisions and sections.

‡ January to November inclusive.

Figures in table have been rounded to millions.

Source: Department of Trade.

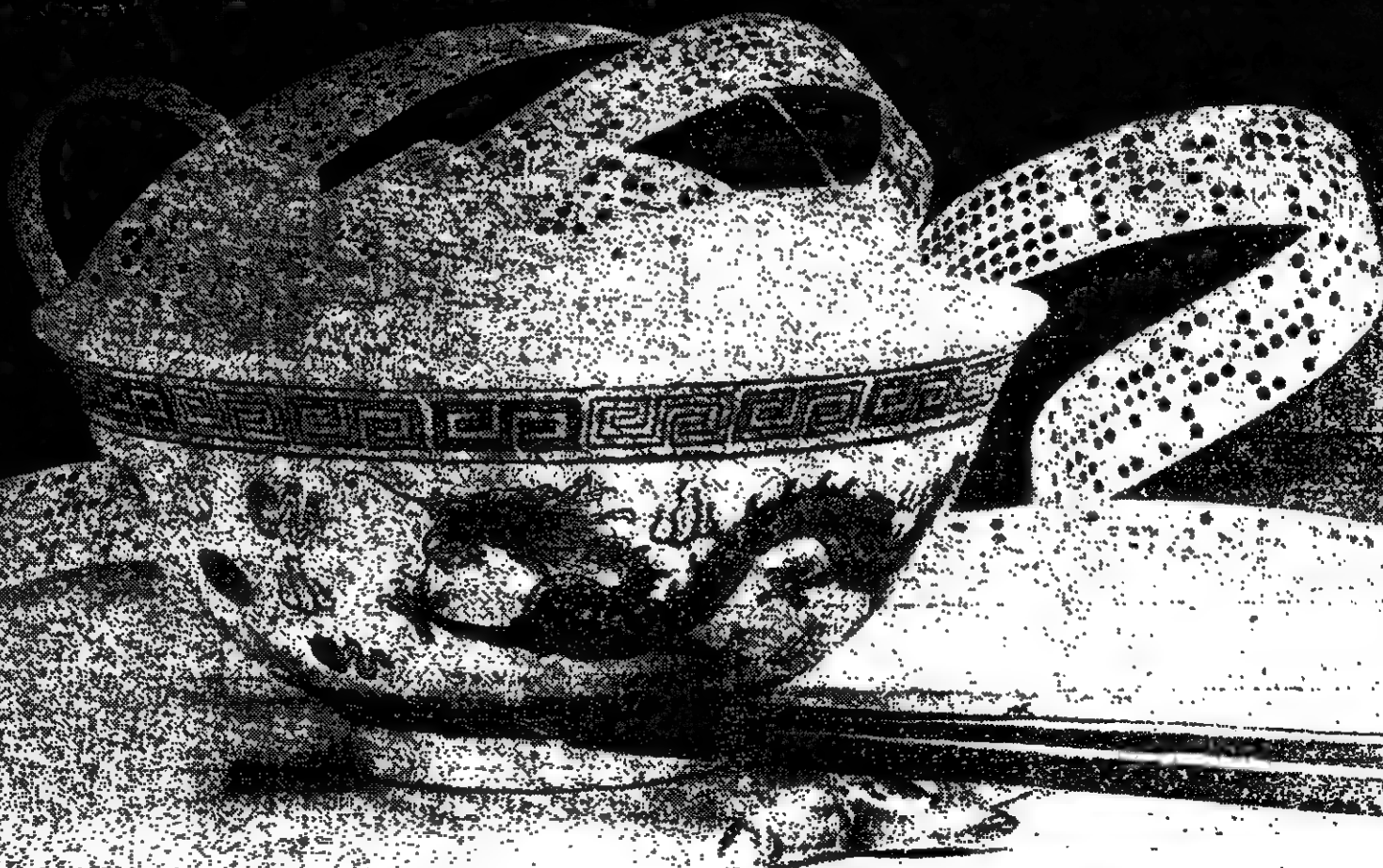
British trade balance with Bahrain (£m)

	1976	1977	1978	1979*
British exports to Bahrain	89.5	113.9	116.9	116.9
British imports from Bahrain	30.1	13.7	34.7	20.1
Balance	+59.5	+100.1	+82.2	+96.8

* January to November inclusive.

Source: British overseas trade statistics.

Hong Kong, centre of communications in Asia



CABLE & WIRELESS

It is no secret that comprehensive and efficient international communication is one of the main reasons why so many companies choose Hong Kong as their regional headquarters. And Cable & Wireless don't rest on their laurels. Not so long ago they launched Burgafax in Hong Kong, a high-speed, economy telex service to the U.S.A. and a growing list of other countries. They also introduced IDAS, an international database access service. But there's even more.

CABLE & WIRELESS SYSTEMS

The skills and knowledge of the Cable & Wireless Group are also available to business, industry and government through Cable & Wireless Systems who have professionally designed, engineered and installed diverse turnkey telecommunications and specialised computer systems.

Some examples include the Command and Control systems for the Royal Hong Kong Police and for the Fire and Ambulance Services, microwave communications for China Light & Power, and underground radio to be installed for the MTR.

ASIADATA

is not just another computer company. They are the largest computer service bureau in South East Asia specialising in processing data, offering total system design and implementation, data preparation and consultancy.

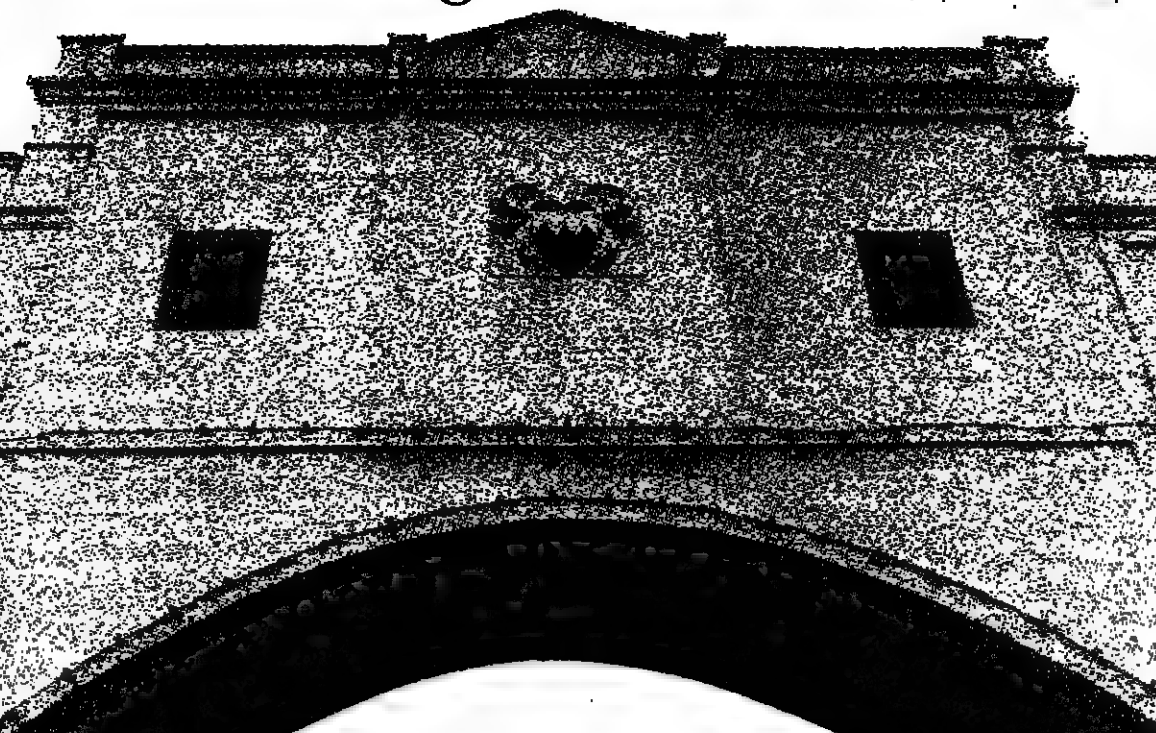
Asiadata's number one status is based on the systems and communications expertise of Cable & Wireless Ltd., the trading experience of Jardine, Matheson & Co. Ltd., the business know-how of The Hongkong and Shanghai Banking Corporation and the world-wide resources of Barclays Bank International Ltd.

Cable & Wireless
helps the world communicate.

Regional Director Hong Kong, Cable & Wireless Ltd., G.P.O. Box 597, Hong Kong. Tel: 5-283111 Telex: 73240.
Chief Executive, Cable & Wireless Systems Ltd., G.P.O. Box 4477, Mercury House, Hong Kong. Tel: 5-283138 Telex: 74030.
General Manager, Asiadata Ltd., 4th Floor Mercury House, Hong Kong. Tel: 5-250001 Telex: 83661.
Head Office, Cable & Wireless Ltd., Mercury House, Theobalds Road, London WC1X 8PX. Tel: 01-242 4433 Telex: 23181.

Albaab

Your financial gate to the Middle East.



ALBAAB...
an important new name in international banking.
Authorised Capital \$ 50,000,000. Paid-up Capital \$ 25,000,000.

'ALBAAB' in Arabic means door or gate. Indeed, we are your gate to the Middle East with our team of professional, regional contacts and expertise, our association with the \$1.9 billion Arab African International Bank and its shareholders of eight Arab governments and institutions.

As a Bahraini exempt company with an offshore banking license we are active in:

- Commercial banking and trade-related services.
- Investment banking and corporate finance.
- Treasury operations.



بنك البحرين العربي الأفريقي (ش.م.ع.)
al bahrain arab african bank (e.c.)

P.O. Box 20488, Manama, Bahrain, Telephone: 242212/230491
Telex: 9380 and 9381 ALBAAB BN 9382 and 9383 BAABFX BN.

Expertise and resources: one international bank offers more.

Take the expertise and resources to be found in two of the world's most important financial communities, combine them, and you've got European Arab Bank.

A young but fast-growing international bank, we offer a full range of services from our offices in the major financial centres of Europe and the Middle East.

Term and trade financing, trade promotion, investments and introductions throughout the Arab world.

Deposits, loans, foreign exchange, documentary credits and international money management. If you feel our expertise, contacts and resources could be of benefit to you contact us at any of the addresses below.



EUROPEAN ARAB BANK
البنك العربي الأفريقي

Brussels: Avenue des Arts 194 Bte 2, 1040 Brussels, Belgium—Telephone: 219 4230, Telex: 26411.
Frankfurt: Münchener Strasse 1, Postfach 16280, D-6000 Frankfurt/Main 16, Germany—Telephone: 23 27 07, Telex: 416874.
London: 29 Gresham Street, London EC2V 7EX, England—Telephone: 606 6099, Telex: 8812047.
Bahrain: P.O. Box 5888, Third Floor, Kanoo Centre, Al Khalifa Road, Manama, Bahrain—Telephone: 250600, Telex: 8940.
Cairo Representative Office: 26th July Street, 15, Cairo, Egypt—Telephone: 52579, Telex: 9268H.
Tokyo Representative Office: Room No. 427, Fuji Building, 3-2-3 Marunouchi, Chiyoda-Ku, Tokyo, Japan—Telephone: 2146058, Telex: 2226287.

BAHRAIN

Property

Band strikes up after gloom

The deep depression which settled over the property market after 1976-77, the years when, as one banker put it, "the band's playing and everybody's dancing", is lifting slowly.

Mr Ibrahim Abdul Karim, Bahrain's Minister of Finance and National Economy, confidently predicts another boom in the 1980s. In a newspaper interview, he pointed out that not only the completion of the causeway, but other huge expenditures such as those for the Alba extension (\$150m), the joint petrochemical project with Kuwait (\$350m), and the aluminium rolling mill (\$120m), not to mention the spin-off from the new Gulf University, will have a colossal impact on the economy.

Mr Karim added that he did not foresee the unbridled speculation and overgrowth of liquidity of the earlier boom. He said that the Bahrain Monetary Agency, other government offices, the Hilton Hotel, the Holiday Inn, the unfinished Diplomat Hotel, and several blocks of offices and flats, here, office space is being let at BD 6 square metres, slightly less and flats with three bedrooms in the Hawar Building, are being taken at BD 370 a month for 120 square metres of space.

The area is still developing, and important buildings about to be started are a headquarters for Gulf International Bank, which will have 9,000 square metres of office room and will be just north of the Hilton Hotel, and a block of offices and flats which has been commissioned by the Kuwait Real Estate Investment Consortium.

Over-building of homes has resulted in rents for three-bedroom villas within the capital dropping to BD 750 a month over the past two years. Farther out, in the suburbs, rent reductions have in some cases been dramatic. Some villas, with gardens and swimming pools, for which BD 2,000 a month was being paid in 1976, can now be had for BD 1,000 to BD 1,200. Other smaller houses, in private developments, can be had at BD 250 instead of the BD 750 of two years ago. Still farther away, dozens of houses in developments have found few tenants.

The Government, during the reign of the present Emir, Shaikh Isa, has provided cheap modern housing for less wealthy Bahrainis, especially for those huddled in the cluttered, insanitary slums of the two main towns Al Manama and Al Muharraq. In 1963, only two years after Shaikh Isa's accession, plans were laid to create a model garden city, with all amenities, five miles south of the capital. The first stage of the town, known as Isa Town, was opened in 1968 and provided houses, on the easiest of terms, for 15,000 Bahrainis. Isa Town is still expanding and by 1981 will have reached its projected size of homes for 35,000.

This is only part of the Government's effort. The Ministry of Housing, established in 1975, launched its first three-year plan in 1976. This has resulted in the financing of 4,000 houses, 2,000 loans for building, and more than 3,500 land plots at a total cost of BD 120m. The second three-year plan—1979-81—will be similar in size, with the Government committing BD 75m and a new housing bank providing additional funds.

The most spectacular housing scheme of all is to be started in 1982 when another new town, as yet unnamed, is to be sited in the west of the island. It will eventually have 75,000 inhabitants.

Ralph Izzard



New buildings rise in Al Manama as the property depression slowly lifts.

Communications

Progress keeps Kuwait challenge at bay

Bahrain established itself as an entrepôt in a modest way in the days when pearls and fish were its chief industries, and it was even then a place known to shipping in the Gulf. Today, when this area is widely regarded as a kind of commercial el-dorado as well as a focal point of international tensions, Bahrain has grasped firmly its potential as the most convenient communications centre for the region.

It is not unchallenged in this respect. Kuwait is moving fast to present itself as an alternative centre. Each country has its own special facilities, but Bahrain with a long tradition of adapting to changing needs is still a first choice for many business operations. Air transport for passengers, port facilities for goods, telecommunications for instant contact with all parts of the world have been developed with remarkable speed and much efficiency, and the process is continuing.

Without its excellent telecommunications services Bahrain would not have been able to establish itself as the offshore banking centre of the Gulf. Its Ras Abu Jarjur earth satellite station, opened in 1969, was the first in the Middle East. Bahrain Telephones and Bahrain International Communications are subsidiaries of the United Kingdom. Direct dialling to Britain started in 1977, followed by direct dialling services to the United Arab Emirates, Kuwait, Iran and the Eastern Province of Saudi Arabia. Further direct services covering almost the whole of Western Europe and the United States have now been added. More than 600,000 international calls are made annually.

Locally, demand exceeds supply and there is still a long waiting list for telephone subscribers, but Bahrain has one of the most advanced computer-controlled digital switching systems in the world. It came into operation on January 3, 1980.

Bahrain's airport, on the adjacent island of Al Muharraq, is linked with the capital, Al Manama, by causeway and is 10 minutes' drive from the centre of the city. It is spacious, well equipped for passenger comfort—at least by Middle East standards—and can receive all types of commercial aircraft now being flown on world routes.

British Airways' Concorde flies between London and Bahrain three times weekly in each direction and is a status symbol not only for the airline but for Bahrain's world connections. Ask a Bahraini if there have ever been complaints about Concorde's noise and you are answered by a puzzled smile of amazement. This aircraft is one of Bahrain's most welcome export.

Between 20 and 30 airlines fly in and out of Bahrain, including many of the other big names such as Pan Am, TWA, KLM and Qantas, but more than half of all flights are by the national flag carrier, Gulf Air.

More than a quarter of a century ago this airline started life as Gulf Aviation. In 1974 it was transformed into an international carrier and the joint national airline of four separate Gulf states: Bahrain, Qatar, the United Arab Emirates and the Sultanate of Oman.

Bahrain is the line's headquarters, and from there it flies scheduled services to more than 20 destinations as varied as London, Paris, Amsterdam, Hongkong, continued on facing page

Causeway

Bridging the gap brought nearer

In early December the 21 consortia invited to prepare bids for the \$1,000m causeway to Saudi Arabia and these have been whittled down to the 21 consortia.

The bidders include two British-led consortia, French, five West German, three Dutch and one each from Italy, Spain, Japan, Greece and Taiwan. One of the most favoured prizes the American firms Brown & Root and Raymond International with Archimedes, of Greece.

Another thought to have a good chance is the British group of Redpath Dorman Long with Costin and Taylor Woodrow, Hyundai, of South Korea, originally thought to be one of the strongest contenders, has been dropped from the list because it has been banned by Saudi Arabia from bidding for government work.

The successful bidder is unlikely to finish work on the causeway until the mid-1980s. The specifications for the 25km structure, which combines four bridges and embankments, were prepared by the Danish architects, Christiani & Nielsen, a partner in Saudi-Danish consultants. The companies bidding have been allowed to present alternative plans.

The causeway will run from Jazira in north-west Bahrain, through Umm Naman island, where Bahrain will have its customs posts, to Al Aziziyah, 10 km south of Al Khobar. Four lanes of traffic will be carried on the road, which will be 24 metres wide. Four bridges, 12 km long in total, will alternate with sections of embankment. The bridges will allow the tide to pass, preventing a large area of seabed from being rapidly covered by water because of evaporation. The main bridge will have a 120 metre span and a 28.5 metre clearance, which is large enough to let ships through, and the three others will have a 15.5 metre clearance.

One of the main problems facing the contractor will be the varied type of seabed—a recent geological survey showed that sedimentary rocks consist of layers of sand, shells, silt, siltstone and hard limestone. The foundations will have to be of steel pipes driven 16 metres into the seabed and concrete in concrete to prevent corrosion.

Saudi Arabia's willingness to finance the project

reflects its concern about political developments in the region. The bidding in Bahrain in August by Shias, who make up about 55 per cent of the population but have very little say in government, was a salutary warning of what could happen to Bahrain if it was not given some reassurance.

At present there is no real threat to the Government. The royal family is flexible and takes care to keep its finger on the political pulse; Bahrainis have tried to avoid any friction between the Sunni and Shia populations, though this has been easy since Iraq revived its claims on Bahrain. Some Cabinet posts go to Shias though most of the important ones are held by Sunnis.

The Bahrain Government is convinced that the causeway can generate its prosperity at a time when its major source of revenue, oil production, is being run down by about 6 per cent a year. It hopes that the business opportunities given by access to a large market will reinforce the BD13m (\$35,140,000) aid—equivalent to 2.5 per cent of its revenue—it already receives from Saudi Arabia.

Local contractors hope they can benefit from supply and construction contracts, particularly if the headquarters of the operation is based in Bahrain. A new town will have to be built for the vast workforce; the influx should give a boost to the whole economy, filling hotels and restaurants and generating business for four or five years.

Businessmen are optimistic that easier access to Saudi Arabia's Eastern Province will open up a whole new market. There are already close links—25 flights a day to Doha and numerous trips by motorized dhow—but merchants say the causeway will reinforce the close relationship between the two countries.

Mina Sulman port will benefit from extra business, with particularly heavy traffic while the causeway is being built. Long-term regular business could come from container traffic to the Eastern Province; the Government has already prepared plans for a road linking Al Manama and Mina Sulman.

Nigel Dudley

A sense of purpose...

Bahrain is one of the fastest growing economies in the Gulf region, moving steadily into ever greater self-sufficiency and diversification.

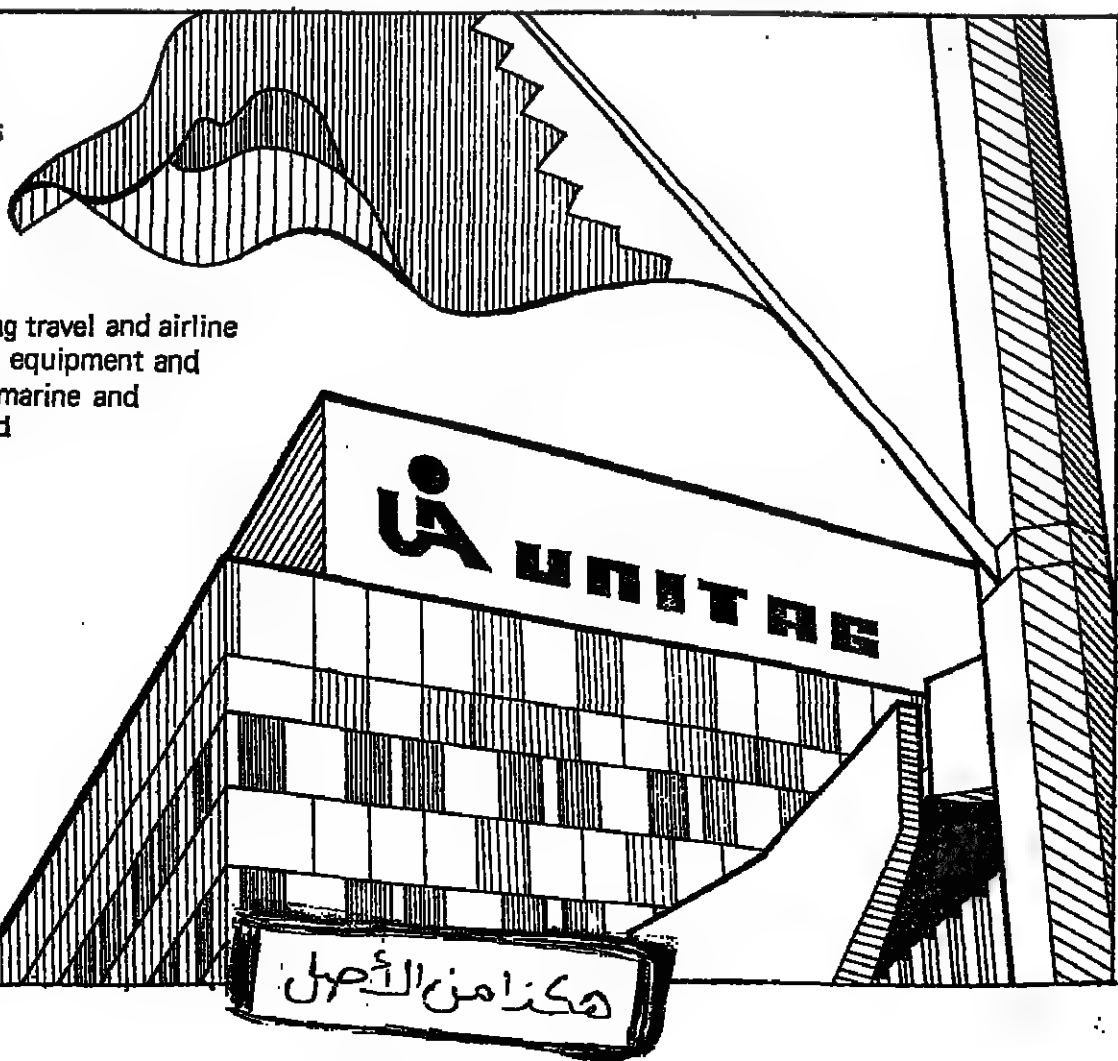
We at Unitag are proud to be an integral part of the economic life of our country.

Our activities cover a broad spectrum, including travel and airline representation, industrial engineering, construction equipment and materials, broadcasting equipment, architecture, marine and harbour works, hydraulics, dredging, insurance and quarry management.

Our assistance to companies wishing to establish themselves in Bahrain can take the form of representation or as a working partner in a joint venture.



Unitag House, Government Road
P O Box 830 Manama Bahrain
Telephone 250830 Telex 8622 UNITAG BN
Cables UNITAG BAHRAIN



Agriculture

Dairy farming develops as date palm becomes rarer

If you draw a line across the middle of Bahrain, which is almost exactly the size of the Isle of Wight, you can safely say that everything that matters in Bahrain lies north of that line. The southern half of the island is total desert and uninhabited—the domain of a few gazelle and a game reserve. Natural sources of fresh water in the northern half of the island have enabled man to cultivate the land as far back as legendary times.

The climate is well-suited to the cultivation of the date palm which will tolerate a certain degree of brackishness in water, so that much of the cultivation consists of date gardens. However, the date palm has become rarer in Bahrain in recent years. It has been subjected to the pressures of an increasing urban population with rising living standards, crammed into the northern half of the island, combined with increasing salinity of the irrigation water to a point not tolerable to the date palm.

The giant skeletons of hundreds of date palms provide the evidence of this, but not all have succumbed to excessive salinity in the irrigation water. In order to control the progressive erosion of its green belt by urban construction, the Government has placed restric-

tions on the felling of date palms with the result that valuable building land have suffered a greatly increased mortality rate. The difficulty for Bahrain therefore is not so much a question of creating cultivated land as of preserving it.

As in most other areas of human activity, Bahrain is well ahead of all the other Gulf states in the development of agriculture. In 1930 the Government Farm and Experimental Station was established at Budaiya on the north-west corner of the island. This has now expanded to 90 acres spread over different parts of the island. Originally it was limited to the cultivation of fruit and vegetables, but now includes dairy farming and poultry. This in turn has led to experimentation in the growth of fodder.

Considerable improvements have been made in irrigation methods in recent years. Conservation of water and the reduction of salinity of the soil have been achieved by the increasing use of drip-feed irrigation. Hydroponic farming is another feature of experimentation at Budaiya. This is practised elsewhere in the Gulf area, and is much favoured for the intensive cultivation and production of vegetables.

Dairy farming has been

developed considerably in Bahrain in recent years. The local cattle are small and have been cross-bred with imported cattle to improve the milk yield. Now about 600 litres are produced daily at the Bin Hindi experimental farm on Al Muharraq Island. This 15-acre farm houses nearly 200 dairy cows, about half of which are producing milk daily. The milk is collected, pasteurized, packaged and distributed to seven cold-store outlets by the Danish Bahrain dairies.

Admirable as this achievement may be, it would require an output at least 10 times as great as the present one to meet the needs of the local population. A limiting factor is the supply of fodder, which presents considerable difficulties. The Ministry of Agriculture is planning to plant more land with the right type of grass, but it is an expensive and complicated process.

The government experimental station has sponsored the poultry farm at Hamala on Bahrain Island, which produces 21 million eggs a year. There are also 16 privately-owned poultry farms which produce nine million eggs a year. A new farm was scheduled for completion recently, and it is hoped that by the end of 1980 Bahrain will be self-

sufficient in producing its needs of 60 million to 70 million eggs a year. At present it is producing about 80 per cent of its needs. About 40 per cent of its requirements of broiler chickens are produced locally.

In spite of these achievements Bahrain still has to import a large proportion of its food requirements, and there is a need for the Government to increase its investment in agriculture. The land tenure system, whereby more than 60 per cent of the land is leased from landlords for three-year periods, a system which provides no stability, does not lend itself to the improvement of agricultural efficiency. Hunting Technical Services, a United Kingdom firm, has produced a 10-year plan for agriculture.

The history of the fishing industry in Bahrain presents a sorry saga. Originally the wealth of Bahrain, such as it was, derived from pearling and ship-building. The former was all but killed by the development of the Japanese cultured pearl industry, and is today on a much reduced scale.

Fish and prawns were caught in fish traps built out into the shallow waters of the Gulf. These can still be seen from the air today as alcahrat come in to land at Al Muharraq airport. In recent years a profitable

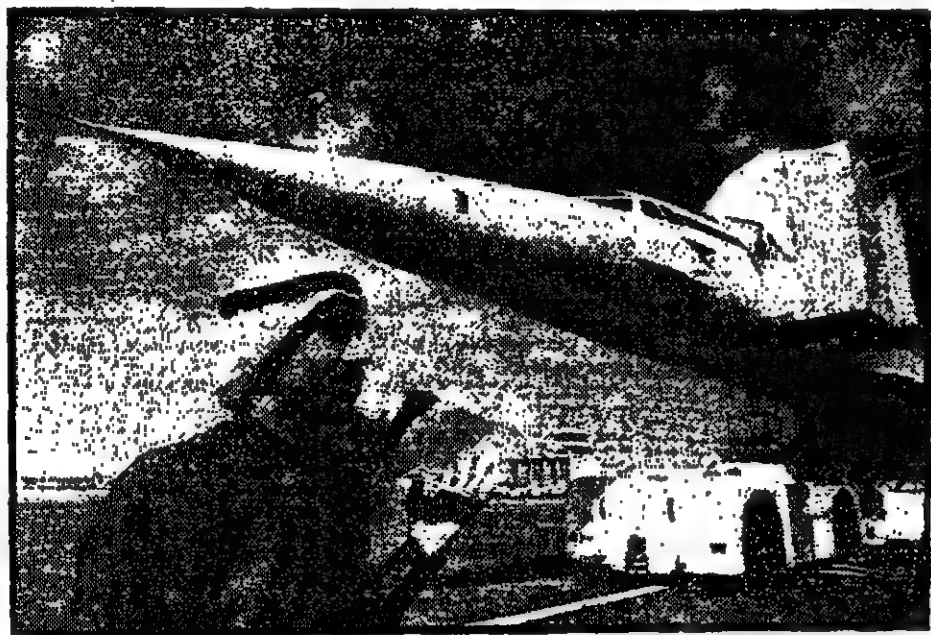
prawning business was built up with the British Ross Ponds group by means of a fleet of some 17 shrimp trawlers, which caught and froze the prawns before processing them ashore. The frozen prawns found a ready market in the United States and Japan.

In spite of a closed season of two months annually to allow for breeding, during the past two to three years the catches have fallen off disastrously to such an extent that in 1979 the fisheries company was wound up and the trawler fleet put up for sale.

Various theories have been expounded for this sudden and dramatic disappearance of the stocks of prawns. Disturbance and destruction of the breeding grounds by land reclamation activities is one suggested explanation. Others are over-fishing and adverse climatic conditions.

It is significant that the prawning fisheries have been similarly affected elsewhere in the Gulf, particularly in neighbouring Qatar, where the local fisheries company is being kept going only by heavy government subsidies. A regional survey of Gulf fisheries is at present being conducted, but it has come too late to save the prawning industry of Bahrain.

Tim Owen



Concorde is a status symbol for Gulf and Bahrain's world connections.

Hotels

Tourism could be new industry

Until quite recently tourism as an industry did not enter into government thinking in the Gulf states.

Tourism has been developed to an extraordinary degree in a few countries, but chiefly in countries which have scenic, climatic or cultural assets to sell and a national balance of payments which needs an influx of foreign currency. Although the climate is good for much of the year, the Gulf has limited attractions in the other areas and almost no need of tourism income. Moreover these states had other things to do.

One was the provision of accommodation and travel facilities for the ever-increasing number of business visitors. Lack of hotel accommodation and its attendant troubles—double booking, overcharging, insufficient trained staff—long coloured the international impression of staying in these countries.

In most of them, and particularly in Bahrain, the accommodation problem has now been overcome, indeed markedly reversed. A number of new hotels have been and are being built, others enlarged. Where it was difficult to find and keep a room, hotels are now looking for business to fill their extra beds. Healthy competition is likely to maintain and improve standards. Prices have been held, even occasionally lowered during the past two years.

Bahrain, therefore, has a new asset: facilities for a certain number of additional visitors in the de luxe category. Tourism could be the means of using this and thus establishing a new, if minor, industry.

Except for visitors who are drawn to the desert for itself, the Gulf's chief gifts are sunshine and sea. Only Oman has any extensive beauty of mountains and coastline, and Oman does not yet feel ready to enter tourism except on a very limited scale. Bahrain has fewer beauties but is ready, and has considerable experience of adopting new ideas.

When Japanese cultured pearls destroyed Bahrain's ancient pearl fishing trade, Bahrain brought wealth and importance. As its own oil resources have dwindled wise planning and leadership have brought in aluminium, for such, shipbuilding and communications for the area. Tourism will be added not only because the services are there but as part of the policy of diversifying the country's economy.

There are now some 2,000 hotel rooms comprising well over 3,000 beds. These are in four categories of hotel, luxury, first class, second class and tourist, and the five in the present luxury group—Delmon, Gulf, Hilton, Holiday Inn and Ramada—account for half the room total, and more are being added in the upper grades.

The Gulf Hotel has 240 rooms in a new tower block due to open on March 1. The new Sheraton is a 350-room five-star establishment scheduled to be in operation by the autumn. In 1981, Trust House Forte, which already has the smaller Al Jazira Hotel in Bahrain, plans to open its 285-room Diplomat.

Access to Bahrain is almost entirely by air and—

again because of the business demand—air links by the national carrier Gulf Air, British Airways and more than two dozen other lines are immeasurably more extensive and frequent than in most places where tourism is the chief raison d'être for flying.

Thus there is no difficulty in reaching Bahrain and there should now be none in staying there, but there remains the vital matter of incentive. Why should the visitor come, and what will they do?

One attraction is a friendly, outward-looking people. "Island people are different," said a Bahraini, and went on to expand on the cosmopolitan outlook of islanders when compared with brother Arabs of the desert, mountains, or even the long Gulf coastline.

From time immemorial there has been a port here, and it has been a meeting place for all the peoples who travelled and traded in the Gulf. Today the Bahrainis born and the expatriates living and working there are beginning to think of the ways and thinking of peoples from many parts of the world.

Second it is a remarkably free and cheerful place. There are good restaurants as well as the hotel, alcoholic drinks are readily available, there are some well-stocked shops and a colourful suk in the capital, Al Muharraq.

Bahrain consists of more than 30 islands 15 miles off the Saudi Arabian coast. The main one accounts for more than four fifths of the total land area of 255 square miles, and two others—Al Muharraq and Sitra—are linked to it by causeway.

This group is one of the areas which lays claim to have been the Garden of Eden in modern times, despite its famous fresh water springs, much of the interior has been desert, but irrigation is now bringing a green beauty back to the land. There are some good beaches.

History, somewhat neglected at the beginning of the oil boom, is now honoured. There have been human settlements on Bahrain for more than 50,000 years. The centre of the main island is dotted with curious grave mounds which various archaeological groups have been and are excavating. There is an excellent museum showing all sides of Bahrain's prehistoric and more recent past.

Few old buildings have survived the new world of concrete but the centre of the old Arab town of Al Muharraq is intact and two beautiful palaces there are being lovingly restored and preserved. There is horse racing, camel racing, sailing and all kinds of water sports, and some evening entertainment.

Gulf Air has been quick to see the possibilities and now has a special manager for dealing with future package tour business.

In October, 1978, one of the first official steps was taken with the appointment of a Jordanian tourism adviser, Mr. Farid Ma'mun, to the Ministry of Information to co-ordinate and make recommendations on all the facets of Bahrain in relation to tourism potential.

P.T.



Dealing room of the Saudi National Commercial Bank, Bahrain.

For successful trading in the Middle East, you can rely on Reuters

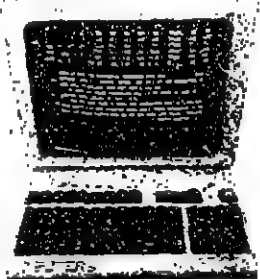
REUTERS serves the Middle East's major banking and financial institutions with real-time information, and quotations from money and investment markets worldwide, on the Reuter Monitor system.

As one of the world's most active and vital trading areas, the Middle East relies on Reuters global communications and computer network for access to information on markets, and news that affects trading, within seconds.

Along with more than 10,000 subscribers in over 100 countries, Middle East traders know they can count on Reuters for economic services which are fast, reliable and second to none.

For information about all Reuter services available in the Middle East please contact the Middle East Manager (Brian Lawley) in Bahrain: Tel. 232600; P.O. Box 1030, Manama, Bahrain or the Co-ordinator, Middle East in London (Tony Murrell): Tel. 01-353 6060; 85, Fleet Street, London, E.C4.

IMPORTANT. An expanded Arabic language news report will be launched shortly. It will be available to private subscribers in the Middle East as well as to the media. The new Reuters Arabic Service will provide fast, accurate and dependable global coverage of political, economic and other news with emphasis on the Arab world.



REUTERS
World markets as they move

Progress keeps Kuwait challenge at bay

continued from facing page

Manila and airports within the Gulf. These include a two-hourly shuttle type service for the 20-minute flight between Bahrain and Doha, and the Saudi Arabian coast.

Gulf Air has established a reputation for good cabin service and up-to-date aircraft. All services except the local shuttles are by the Boeing 737-200, the up-to-date 737 version. Six TriStars and seven 737s are in Gulf Air service.

In the past the line had no cargo aircraft, freight was carried on the TriStar, but in September, 1979 they leased a Boeing 707-320C cargo freighter from British Midland Airways. This doubles Gulf Air's cargo capacity. The freighter provides four services weekly

from London to The Gulf and, subject to government approval, two will be extended to India.

Mina Sulman is Bahrain's general port. BAPCO (Bahrain Petroleum Company) and ALBA (aluminium works) have their own marine terminals, and ASRY's shipyards are also at a distance. Mina Sulman dates from 1962 and has been gradually enlarged and modernized.

Although the peak of Bahrain's building development has passed, and the port officials say their operations have reflected some world recession, the increase of shipping and imports through Mina Sulman seems to have maintained a steady progress.

The port's new extension adds a further four conventional berths bringing the total to 14; but with an eye

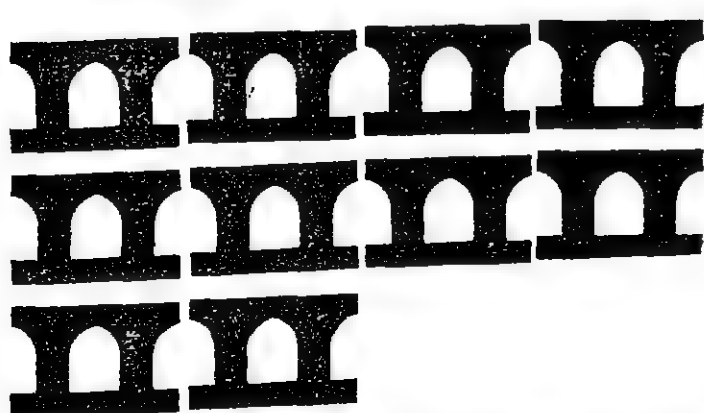
to the projected causeway road link with Saudi Arabia much of the future emphasis will be on containerized cargo. A new container terminal which can handle two ships at a time has been built beyond the conventional berths extension.

Apart from these physical additions and the deepening of the channel to take larger ships, a good deal has been done to speed the port's working and to use storage space economically.

Relationships between the port authorities and consignees are friendly and co-operative, staff and agents meeting daily, and a tightening of cargo storage arrangements has been successful and has achieved a good degree of improved efficiency.

P.T.

One financial success follows another



The National Commercial Bank of Saudi Arabia now has a fully operational offshore banking unit in Bahrain

Inspired by its success as the leading financial institution in Saudi Arabia, the National Commercial Bank now offers full offshore banking services in Bahrain. This will act as a major springboard into international banking in Bahrain. This will act as a major springboard into international banking in Bahrain. This will act as a major springboard into international banking in Bahrain.

The bank is already actively involved internationally in foreign exchange, money markets, bond trading, syndicated loans and guarantee facilities. With help from its representative offices in London and Frankfurt, the bank has lead managed several international bank syndications. It also has a successful record for lead managing Saudi Riyal note issues in the Far East and Europe.

The National Commercial Bank

Head Office: King Abdul Aziz Street, Jeddah, P.O. Box 3555. Tel. 33580/4

Telex: 401102/401086. Cable: Banksaudi

Bahrain Office: Zayani House, P.O. Box 20363. Tel. 231182. Telex 9299 NCB GN/BH; 9299 FX

CONSOLIDATED AND CONDENSED COMPARATIVE STATEMENT OF CONDITION IN MILLIONS OF U.S. DOLLARS

	31.12.74	31.12.75	31.12.76	31.12.77	31.12.78
Assets					
Cash and due from banks	1,021.0	1,142.0	1,344.7	1,098.1	2,767.7
Loans	20,856.9	26,166.8	31,932.4	39,023.9	42,499.8
Securities	338.7	429.7	506.9	729.8	1,010.0
Bank premises and equipment	356.6	373.4	370.3	900.7	815.0
Other assets	663.2	1,094.4	4,772.4	4,983.9	1,965.3
TOTAL ASSETS	23,236.4	29,206.3	38,926.7	46,736.4	49,057.8
Liabilities					
Capital and reserves	1,709.0	2,457.5	2,688.6	3,547.5	4,057.5
Deposits	15,007.8	17,537.7	23,226.3	26,565.1	22,729.2*
Demand	8,183.2	9,129.6	9,839.7	11,019.8	8,059.9
Time	6,824.6	8,408.1	13,386.6	15,545.3	14,669.3
Funds borrowed	1,147.8	1,367.4	1,504.0	1,760.7	8,654.2*
Funds for refinancing	3,301.6	5,882.5	8,014.0	11,341.5	11,804.3
Other liabilities	2,070.2	1,961.2	3,493.8	3,521.6	1,812.6
TOTAL LIABILITIES	23,236.4	29,206.3	38,926.7	46,736.4	49,057.8

The figures shown above are the conversion of Cruzeiros into U.S. dollars at the rate prevailing on the respective balance sheet dates.

* 1978 figures comply with the new Brazilian Corporate Law (Law No. 8,040, of 15.12.76)

FOREIGN NETWORK

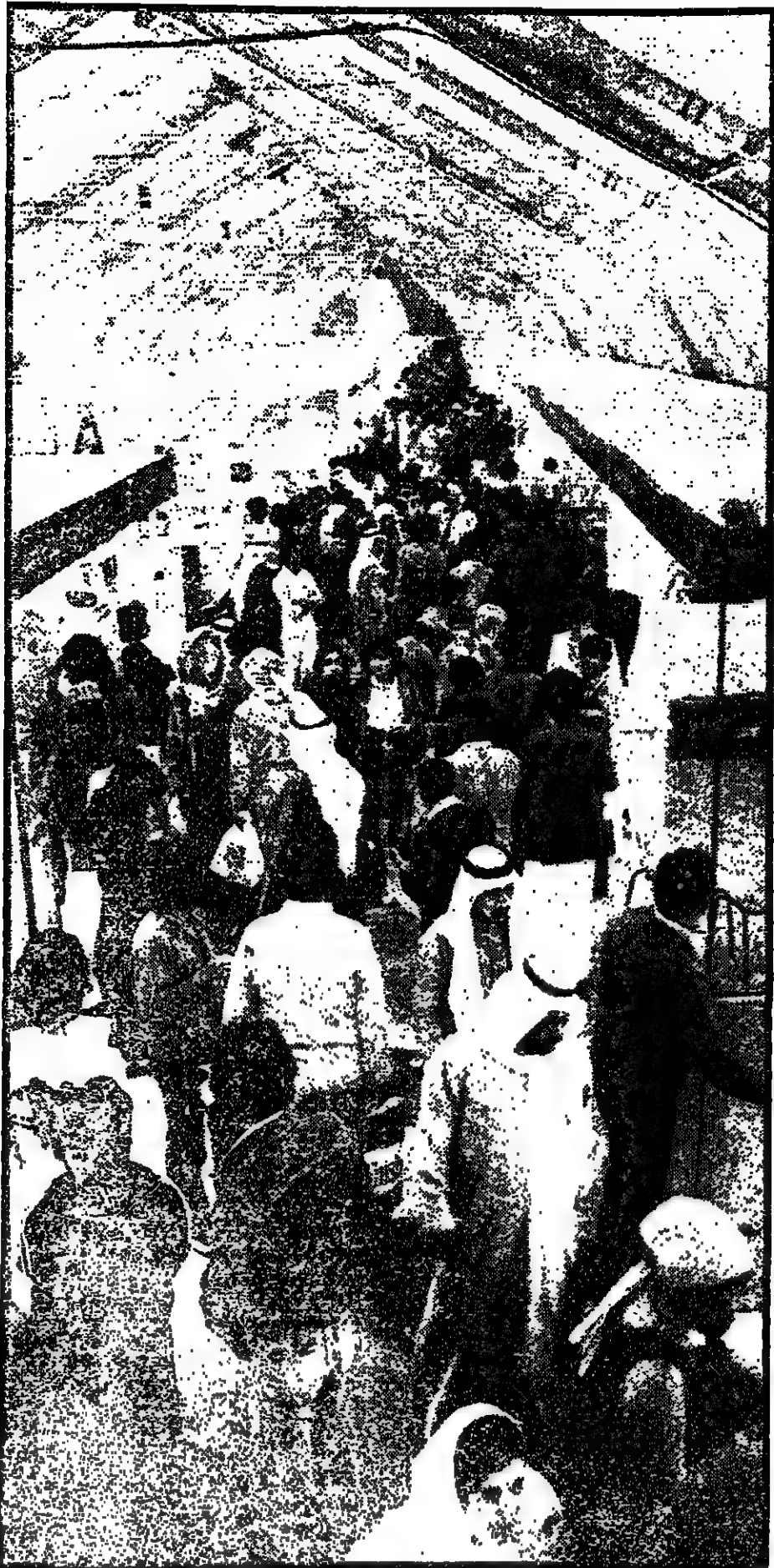
London, Paris, Paris-Opera, Hamburg, Frankfurt, Amsterdam, Rotterdam, Milan, Vienna, Rome, Lisbon, Madrid, Stockholm, Zurich, Geneva, Luxembourg, Brussels, New York, San Francisco, Los Angeles, Chicago, Washington, Miami, Atlanta, Houston, Toronto, Mexico City, Tokyo, Abidjan, Grand Cayman, Panama City, Colon, Buenos Aires, Montevideo, Ciudad Vieja, Paysandu, Rivera, Asuncion, Puerto Presidente Stroessner, Santiago de Chile, Antofagasta, Concepcion, Valparaiso, La Paz, Singapore, Santa Cruz de la Sierra, Cochabamba, Bogota, Caracas, Lima, Quito, Tehran, Lagos, and Sydney.

New branches and representative offices to be opened shortly in other countries.

Banking correspondents throughout the world, and over 1,200 full branches in Brazil.

MANAMA BRANCH

P.O. Box 5489-Tel. 250-113-Telex 8718



The Middle East food and equipment exhibition in the Bahrain Exhibition Centre. It is government policy to encourage foreign firms to do business.

Visitors' guide

A reminder of the Garden of Eden

Many Western expatriates enjoy living and working in Bahrain for more than financial reasons. These facts are a good recommendation for this little group of islands which lie in the great bay of The Gulf formed by the coasts of Saudi Arabia and Qatar.

From June to September residents, both Arab and European, endure the heat and humidity with varying degrees of anguish or resignation, but for the rest of the year it is not difficult for imagination to clothe it with the grace of the Garden of Eden, at least as far as the colour of sea and sky are concerned. Trees are rare—though many are being planted as irrigation increases—but there are flowers.

A short taxi drive from the airport at Mubarrag leads across the causeway to the capital, Al Manamah, the heart of things where most of the hotels, administrative offices and commercial

organizations are to be found.

Now that there is no longer a serious shortage of hotel rooms, one's choice from the leading four or five depends on personal taste or location. All are of the large luxurious type familiar to visitors in the Middle East and Far East, with more freedom and cosmopolitan atmosphere than in some of the stricter Islamic countries. Room prices in the top grade are about BD 30 a night.

The 120-room Delmon has largely retained its position as the classic hotel of Bahrain. Smaller than the other big hotels it has more personal atmosphere, and being at the western end of Government Road and within walking distance of the city's commercial centre it is well placed for most business travellers.

Almost everyone who is anyone in Bahrain drifts in and out of the Delmon bar at one time or another. The

supper room has a well-deserved reputation for food and service. Bedrooms are less elegant than in some of the newer hotels but are being systematically modernized and redecorated. The desk staff are almost always helpful and efficient.

Bahrain's Hilton lies at the other end of this key road and is an obvious choice for the visitor on official business, close to Government House, the British Embassy and the British Council offices. It is one of the handiest Hiltons, very well equipped, with a swimming pool and good dining room service. All these hotels provide sumptuous buffets, lunches which enable the professional luncher to tailor his eating time to the needs of a full schedule of appointments. The Hilton buffet is one of the best.

The New Sheraton, scheduled to open in the autumn, lies between Gov-

ernment House and the Hilton, and a little farther east is the Holiday Inn, similar in furnishing and decor to others of that chain, praised for its food and service and with a superb position overlooking the sea.

The Gulf Hotel, owned by Gulf Air, is outside the town standing on a little promontory to the south-east 10 minutes' drive away in good traffic conditions. Familiar to many visitors for several years, The Gulf has now been transformed. The new tower block which will open in a few weeks' time has 240 rooms which will constitute the regular accommodation; older rooms will be kept for emergency use by delayed air passengers. The hotel has a high reputation for its cuisine, and some regular visitors consider it offers the best food in Bahrain.

As in most Middle East cities, visitors tend to use the hotel far more than in Western capitals for infor-

mal meetings, and the hotels, therefore, provide a high standard. However, Bahrain, also, has several excellent independent restaurants.

Keith's is a small, stylish restaurant with good food and courteous service. It is a place to talk and eat in quiet comfort.

Talk of the Town is larger, but elegant and restful too, with soft background music, excellent cooking and service.

Sasha's is another popular restaurant. The Mansouri Wine and Beef Bar at Mansouri Mansion (a block of service flats in the Kuwait Road) specializes in fondue and pizzas, and there are several Chinese restaurants and others.

Most of the business visitor's transport about the island will be by taxi, unless cars are available. There is no difficulty in getting taxis at all the main hotels, but they are expensive and it is wise to negotiate the fare

before starting on any longer journey.

Hotel desk staff will advise what is a fair price. Distances are often expressed in the time taken to drive from one place to another, but these estimates must be treated with some reserve because Al Manamah suffers acute traffic jams at rush hours.

Government officials and others are usually accessible, and appointments can often be made at short notice, if one is prepared to accept some delays on arrival.

The Bahrainis, like other Arabs, practise a more formal courtesy in behaviour than is now usual in the West. An affront to honour or hospitality will be resented and remembered even if their good manners conceal the wound. On the other hand friendship is a very real and lasting bond.

Penelope Turing

Doing business

Britons enjoy language advantage

Any British businessman visiting Bahrain, particularly for the first time, should appreciate that he is arriving among a community with a long-standing and staunchly pro-British tradition, and the personification of this is Shaikh Isa bin Sulman al-Khalifah, Emir of Bahrain, who is both popular and respected among his own people and expatriates alike.

Bahrain enjoys a political stability which is conducive to good business relations and activities, and the policy of its Government is to encourage foreign firms to come to do business on the island. The friendly atmosphere which pervades Bahrain makes itself felt to the visiting Westerner immediately on arrival, a fact which is borne out by those who live and work on the island. Another great advantage which the British businessman enjoys over

many others is in the matter of language. He will find that all Bahraini merchants and businessmen, and for that matter almost all Bahrainis with whom he will come in contact, speak fluent English.

Usually a businessman visiting the Middle East will include Bahrain in an itinerary of The Gulf, which will include five or six other visits to the Gulf states. Time will probably allow for only a few days in Bahrain, so it is of paramount importance that no time is wasted. It is therefore essential that the visit is properly planned. Bahrain observes the Muslim weekend, so Thursdays and Fridays should be avoided if possible. Friday is a good day for flying between destinations, if a day off for relaxation is not required.

A check should be made of religious holidays, the dates of which vary from one year to another, and

national holidays, the dates of which are fixed. The month of Ramadan, particularly the latter part of it, is best avoided. Business can be conducted in Ramadan, but office hours are shortened and interest and efficiency tend to drop as the month proceeds.

Selection of the hotel in which the visiting businessman is to stay is important. Locality rather than price these days should be the criterion. Gone are the days when the harassed businessman had to fight for a bed in a hotel. Now the competition to get his custom is so keen that the taxi drivers have a part in it. Do not be taken in by the taxi driver at the airport who informs you that the hotel at which you have booked a room is full. He will get commission for taking you to another hotel.

Hotels now vie with each other in giving reductions, so negotiate it for yourself

rather than with the taxi driver.

Bahrain has a reputation for extremes of heat and humidity, which is true of the summer months, but the evenings and nights from December to March can be surprisingly chilly. Frost has been recorded there in January and February. When visiting Bahrain during the winter do not confine yourself to lightweight suits and tropical clothing because you will end up with a chill.

No visa is required for the British passport holder who is visiting Bahrain for a period not exceeding 30 days, so for all practical purposes the visiting businessman requires only his passport and health documents. Cholera outbreaks do occur in Bahrain and neighbouring countries from time to time, so anti-cholera vaccination is advisable.

Liquor for the visitor presents no problems. Bahrain

is the most relaxed of all the Gulf states in its attitude towards alcohol. All the hotels and clubs likely to be visited by businessmen have bars. Liquor regulations have been tightened recently, and particular attention must be paid to driving after drinking. The accident rate in Bahrain, as in all Gulf states, is high. A traffic accident involving the consumption of liquor will result in a week's imprisonment and a hefty fine.

Bahraini government ministers and officials as well as merchants and businessmen are well used to dealing with the British, are conversant with our ways and visit Britain frequently. Nevertheless the visiting businessman is well advised to observe certain codes of practice in Bahrain.

The Bahraini will judge the respect which he is being accorded by his European visitor by the manner

of his dress. Even in the hottest weather a suit should be worn when calling on a minister or high government official. A tie and a neat appearance will give a favourable impression when calling on others. Sloppy and casual dress will be regarded as a casual approach and produce a corresponding result.

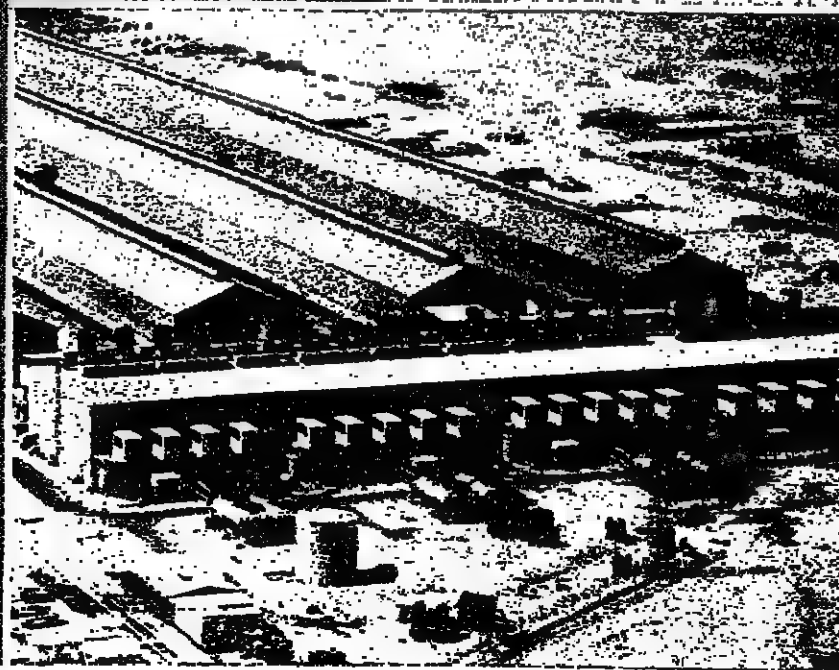
Although rather less so than in neighbouring countries, discussions are prone to interruption by lengthy telephone conversations and other visitors. This tends to draw them out, so it is important not to organize too tight a schedule for any one day. Arabs, far more than Europeans, attach considerable importance to personal knowledge and acquaintance. A personal visit is worth a deluge of correspondence and brochures through the post.

Tim Owen

Once
an arid desert...

Now
a 126,000 tonne
industrial
success.

And will soon
reach
170,000 tonnes!



Alba enterprise pays off.

1968. An idea is born.

The Bahrain Government and a consortium of aluminium producers, inspired by world demand, came together to create a sophisticated economic production unit on desert land. They called it Alba. The transformation tells a story of its own. Built on know-how and sheer determination.

Obliging the world with aluminium

Bahrain's unique location, the ready availability of natural gas and a large pool of skilled and semi-skilled workers turned the heat on. Production is in full swing. Today there is

every prospect that world demand for aluminium will exceed supply in the early 1980's. Alba has recognised this and has embarked on an expansion which will increase annual production capacity by 45,000 tonnes by the end of 1981. In 1979, production at Alba was already 6000 tonnes in excess of rated capacity at over 126,000 tonnes.

The Glimt in Bahrain's eye

Bahrain Government owns 57.9% of Alba. As a leading local industry Alba's added value contribution to the Bahrain economy in

1979 exceeded US\$100 million.

A further investment of around \$120m. will increase output by 45,000 tonnes per annum in 1980.

People — Alba's most valuable asset.

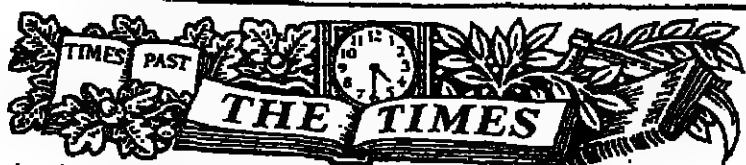
Already 65% of the management staff are Bahrainis. The process of 'Bahrainisation' continues to take shape in the form of training programmes, welfare schemes and safety programmes. Today the company employs around 1,500 Bahrainis—a promise for not just a job but a career and a secure future.



alba

Aluminium Bahrain

P.O. Box 570 Manama - Bahrain Tel: 661751 Tlx: 8253 METALBA BN



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

A MODERATE BILL

Human life is not held cheap in our society. On the contrary, its preservation and its protection require it to be treated more highly than at most periods of the past. Yet society witnessed the deliberate abortion of 140,000 human foetuses in the latest year counted. We have a law that has stopped the judicial execution of convicted murderers, and a law that permits the wholesale, though not wholly unregulated, medical destruction of foetal life; and observations suggest that those who approve the first state of the law commonly approve the second too. What is the explanation of this apparent paradox? Paradox it is, for whatever (if any) civil status a human foetus may be thought by extension or analogy to possess, there is no gainsaying that life inheres in it.

Differing views

Evidently, it is a matter of recognition: at what point along the way from conception to placement in a cradle does one see in the rapidly developing entity of tissue, flesh and blood a being deserving of the life-protection unquestionably owing to that being from the cradle onwards? Some recognize such a being from the start: the fertilized ovum is genetically complete, it is created life, it grows with unbroken continuity into man or woman. Some do not recognize a being which there is a duty to protect from destruction until the foetus may be supposed to display some visible likeness to a baby. Some withhold recognition until the point (22 weeks old?) at which the foetus becomes theoretically capable of sustaining an independent existence. Some withhold recognition until the full term of pregnancy; and some even until after birth and after inspection to ensure that there is no gross abnormality in the baby.

Most commonly however, when people reflect on the matter, they may be expected to find that there is no one point at which they pass from total disregard to full recognition; rather they impute a separate existence, with separate right to protection progressively, on a scale from negligible to full, as the life develops from conception to birth; and the progress of their recognition probably has a lot to do with their visual imagination of what is going on in the womb.

This variety of view becomes conflict of conviction, for it is rooted in both instinct and belief. The process of legislation is therefore controversial, and the law that comes out of it is condemned to uneasy compromise. Yet law there must be to hold the balance between the rights, interests and desires of the woman carrying the child and the public protection of the child-to-be whom she carries. Only on the assumption that the life or denial of life for the child-to-be is of private concern to the mother alone, can the law be excused intervention. That never has been, and is not now, the collective assumption of this society.

Governments, invoking the conscience clause, like to leave the subject to unwhipped parliaments and private members' time. That makes legislation hazardous and hit-and-miss. Bills get so pulled about in the process that, as happened with the 1967 Abortion Act, the consequences of legislation diverge significantly from the intentions, or declared intentions, of its authors.

The pressures arising and combining of the undoubted distress of very many women who become pregnant after hoping that they won't of the social convenience and economies to be had from abortion, of the convenience of doctors and their dislike of anything that smacks of invasion of their clinical judgment—these pressures have caused the facility of abortion to be made more readily available than parliament intended when the 1967 Act was passed and have caused the protection of the law for foetal life to be less effective than intended. The latest attempt at amendment, Mr John Corrie's Bill which comes to third reading in the Commons on Friday, seeks to counteract that development. It deserves success.

Three designs

It does three things. It makes abortion on the nod (if that is not too misleading a description of the practice of some hospitals and clinics) unlawful in the case of a pregnancy of more than twenty weeks. Later abortions would remain lawful if serious abnormality is suspected or if it is necessary to preserve the life of the woman or prevent grave permanent injury to her. The purpose of this amendment is to prevent the abortion of any foetus capable of sustaining an

independent life except for the reasons just stated. There is still room for medical argument about whether it is necessary to stipulate 20 weeks to secure that objective, or whether 22 or 24 weeks would do; but there should be little disagreement about the objective itself.

Second, the Bill adds the adjectives "serious" and "substantial" to the statutory criterion for lawful abortion. This is intended at least to scupper the statistical argument by which some have sought to justify abortion on request—the argument that abortion must be the lesser risk to the life of the pregnant woman since the death rate in childbirth is higher than the death rate in induced abortions. Both sides to the debate probably exaggerate the restrictive effect of inserting those words. The committee under Mrs Justice Lane, which examined the working of the Abortion Act and reported in 1974, considered similar insertions and observed, "Prosecution for breaches of the Act based upon an absence of medical opinion formed in good faith" would hardly be rendered any less difficult than it is now if other limiting words were substituted.

Third, the Bill sets out to sever all financial links between counselling or referral agencies and clinics where abortions are performed. This is meant to preclude the possibility of venal advice—something it must be said, the Bill's sponsors have not produced clear instances of. The principle is right, the present drafting is not.

More than a quarter of all abortions in the United Kingdom are arranged and conducted by charities which link an advisory service with abortion clinics. They have come into existence partly to compensate for those areas within the NHS where the practice is to be unusually sparing in the grant of abortions. Their sudden disappearance probably would provoke a return to illicit abortion in some places for some time. But their disappearance or even their reduction in any very big way need not be expected from the Bill. Their financial base, the demand for their services, and the genuinely charitable impulses that contribute to them, are likely to ensure that they survive the very proper separation of advisory service from clinic.

Right principle

Third, the Bill sets out to sever all financial links between counselling or referral agencies and clinics where abortions are performed. This is meant to preclude the possibility of venal advice—something it must be said, the Bill's sponsors have not produced clear instances of. The principle is right, the present drafting is not.

Trade unions and the rule of law

From Brigadier P. E. Hutchins

Sir, The statement by Lord Wedderburn of Charlton February 4 in the effect that the Law Lords' reassertion of the traditional meaning of "golden formula" cannot provide "an excuse or justification" for picketing—or by implication, any other who now wish to see it varied cannot be allowed to go unchallenged.

Surely the one unquestionable benefit conferred by the recent interplay between the Court of Appeal and the House of Lords is the clear distinction which has been drawn between the law as it stands and the law as many people of moderate and reasonable views would, in today's changed circumstances, wish it to stand.

Those Members of Parliament who, on behalf of their constituents, now intend to pursue changes in this law will rightly seek to justify their case in the House of Commons and need no excuse for so doing.

Yours faithfully,
P. E. HUTCHINS,
76 Shoe Lane, EC4A,
February 4.

From Mr Noel Hughes

Sir, To see the law on trade union activity as "clear" one needs to be as closely blinkered as Lord Wedderburn. The right of trade union to picket and pursue strikes is not in dispute. But what is to be done if, in pursuance of a strike, a union takes action against an uninvolved firm, possibly leading to its bankruptcy and the unemployment of its workers?

I, as a layman, thought that reconciling this conflict was what Lord Denning, unsuccessfully, has been trying to do. But the law is clear only to those who can overlook hurt to the uninvolved and does not believe that if the relative strength of unions and companies in 1980 had existed in 1905, that Act would ever have been passed?

Yours faithfully,
NOEL HUGHES,
16 Mount Ararat Road,
Richmond,
Surrey.

From Mr R. S. Montgomery

Sir, You go too far, at least in relation to the question of picketing, in asserting (February 2) that when it comes to trade union law no rights or justice exist under British statutes.

Although the state of the law

may not in all respects be satisfactory, it has always been apparent that the real problem lies in the enforcement of the law.

In so far as one can judge from press and television reports much of the picketing which has taken place in connection with the steel strike and other disputes in recent times consists of the physical obstruction of the means of access to business premises and therefore does not enjoy the immunity conferred upon picketing in furtherance of a trade dispute.

The statute does not permit anyone to stop another against his will from going to work or to prevent others from going about their lawful business. The police nevertheless decline to intervene unless and until actual violence occurs or seems imminent and they should not be expected to do otherwise.

It may be that pickets genuinely believe that they are entitled to behave in this way and that others must acquiesce.

Despite this, there are no reports of employers seeking the redress to which they are plainly entitled. There may well be procedural difficulties or reasons of policy which make the taking of civil action unattractive—or just that the British are unaccustomed to resolving political or industrial issues by means of litigation.

However, these considerations do not preclude the law from enforcing the law even if it were to be amended by drawing a distinction between "picketing" which is deemed to be "primary" and would continue to enjoy immunity and that which is "secondary" and would not.

The right to picket is essentially the right to demonstrate peacefully. Lord Denning himself has been an eloquent defender of this right. It is in the general interest that it should be exercised in a peaceful manner and should not be abused or that it should be improperly restricted.

It is ironic that Lord Denning's judgment in the MacShane case was surely capable of acceptance by all concerned in defining the limits of legitimate secondary action. It expressly refused to allow secondary action could be regarded as being "in pursuance" of a trade dispute and was therefore far more favourable to the union interest than the proposals relating to picketing in the Employment Bill.

In the present atmosphere it seems an impossible task to devise changes in the law which will be generally acceptable and enforceable. For this lamentable conclusion the Government, the unions and the Court of Appeal must share the responsibility.

Yours faithfully,
R. S. MONTGOMERY,
210 High Holborn, WC1.
February 4.

Iron and steel in South Wales

From Professor Roy Rees

Sir, The British Steel Corporation's closure policy at Llanwern and Port Talbot will cause 11,500 redundancies and this, together with the policy of closing coal imports, will cause a further 15,000 redundancies in the coal industry. If these workers will not be reemployed to produce real output elsewhere in the economy, then a standard proposition in economics says that the cost of the redundancies in the steel industry is the cost of the cost of the redundancies in the coal industry.

A calculation of closing coal imports, and similarly the effective cost of steel, shows a level consistent with full-capacity production at Llanwern and Port Talbot. Thus a consistent application of the principle of opportunity cost would rule out the redundancy policy.

Will the labour be otherwise unemployed? Unemployment in steel and coal is a conservative estimate of the multiplier effect suggests that this would grow to 40,000 within a year. Over the decade 1966-75, the opening of some 640 new plants and factories created around 55,000 new jobs in Wales, against the background of generous fiscal incentives and an economic climate on the whole healthier than that which faces us over the next few years.

Despite this the unemployment rate over the past decade has increased from under 4 per cent to just about 8 per cent, in line with the rest of the economy. In addition, of course, the unemployment will be highly localized. It seems reasonable to assume therefore that the average worker made redundant will remain so for 4 to 5 years. The opportunity cost of labour must therefore be well below current wage levels.

The hard-headed layman may well regard this as typical economists' sophistry and he would be right, if we tried to ignore the significant effect of the actual money cost of employing these

workers on the Government's budget constraint.

Steelworkers and coalminers insist upon being paid rather well, whatever the state of the economy. We should, however, look at the net cost of the redundancies to the Exchequer. The cost of retaining the 11,500 steelworkers in employment can be taken as around £22m per annum (taking Sir Keith Joseph's figure of a £1,800 subsidy per man). The cost of the closing coal subsidy is £2.8m per annum (2.8 million tons at £1 per ton, *The Times*, January 30). Against this £25m must be set:

- (a) unemployment benefit etc to 40,000 workers, say at least £40m;
- (b) net loss of taxation on incomes of 40,000 workers, say at least £40m;
- (c) costs of the incentives required to induce firms to reabsorb (eventually) the unemployed (I have no reliable estimate).

Quite clearly there is a substantial net benefit to the Exchequer from not pushing through the redundancies. To this should be added first the avoidance of the social costs of large-scale and persistent unemployment, and secondly the avoidance of dependence on a source of imported steel whose support is cheapness would be reversed by the kind of exchange rate adjustment required to eliminate the deficit in the United Kingdom's non-oil trade balance. There must be a less costly way of achieving an efficient steel industry than this.

I hope to have established the proposition that an application of rational principles would lead to a reversal of the BSC's policies in South Wales. Has the Government the consistency and courage to accept it?

Yours faithfully,
RAY REES,
Department of Economics,
University College,
Cardiff.

Threat to special schools

From Mr J. Rendel Jones

Sir, As Chairman of the Governors of Chislehurst Heritage School for physically handicapped children, I write to draw attention to the urgent problems facing voluntary and independent special schools. It is nearly two years since the Warnock Report on the education of handicapped children and young people (Cmd 7212) was published and yet no Government action seems to have been taken on this first survey ever of special education in this country.

The matter is becoming more urgent than two years ago, when the Warnock Committee urged that local education authorities should draw up plans for special education in their areas which would give them the opportunity of reappraising the aims of special schools which they maintain or use, many of which are uncertain about the direction of their development. There is a danger that escalating costs caused by inflation and reduced numbers may force some excellent schools, especially the smaller, to close.

It is, however, essential to preserve a nucleus of the best schools as centres of excellence for children with severe or complex physical, sensory or intellectual disabilities

or for those with severe emotional and behavioural difficulties and as centres of specialist expertise and of research in special education.

One cannot rely on market forces or special pleading to achieve a solution but it surely calls for planning at national level by the Secretary of State for Education and Science in consultation with the education authorities and the voluntary organizations.

The problems are educational as well as financial and the possibility of direct assistance from central Government to selected special schools ought not to be beyond the realms of possibility. Grants towards capital expenditure at non-maintained schools are already made by the Department of Education and Science. It would not appear to be a major change of policy if grants were extended to revenue expenditure, possibly by embracing them within the Assisted Places Scheme to which the Government are committed.

But, first, government departments must plan a list of special schools, perhaps as well as of hospitals, which the nation cannot afford to lose.

Yours faithfully,
J. RENDEL JONES,
10 The Avenue,
Leaves, East Sussex.

Deciding when to perform an abortion

From Miss Valerie Thompson

Sir, I hesitate to add to a correspondence which contains so many emotive broadsides, but I am bound to be at the sharp end of abortion law dilemmas.

I became a senior hospital doctor just before the introduction of the 1967 Abortion Act and, as the most junior gynaecological consultant in my hospital, was immediately under intense pressure to perform terminations of pregnancy for indications ranging from life-threatening medical conditions to psycho-social needs.

In the meantime I had recently become the mother of two very much wanted children. My conventional postgraduate training had endowed me with a skilled knowledge of the hazards of performing abortion and with a reinforced idealistic concept that reputable gynaecological practice did not include abortion for anything less than life-threatening organic disease.

Initial confusion and anger in the face of subsequent demands was not helped by the lack of guidance in the 1967 Bill. It was and is permissive; and it is open to abuse. It is also rightly protective of those doctors who feel unable to carry out this work.

My subsequent personal understanding and response to a request for abortion has evolved over the years under the influence of many factors. These include a belief that if a woman is to be a mother, she must decide, in the light of her own particular circumstances, on the limitation of her own fertility.

No method of contraception is 100 per cent safe; but there is no more crippling endowment than to be an unwanted child. Abortion techniques have improved to reduce residual risks; but informed counselling remains indispensable and calls for expansion and not restriction.

If a woman wants an abortion she will somehow obtain one; and doctors we have an obligation to see that it is carried out with skill and caring.

Thus, for me, the 1967 Act has finally become a framework within which I can meet the needs of my patients, and I am now in a position of returning to the restrictive attitudes and practices which obtained before 1967.

I ask for the Act to be left as it is. The Bishop of Durham (January 30) has pointed to the impracticability of precision in legislation which involves intimate personal dilemmas.

His view of a workable code of practice to remedy proven abuse may be difficult to implement, but doctors in general would, I feel, be willing to support his suggestion.

Yours faithfully,
VALERIE M. THOMPSON,
Consultant Gynaecologist,
Royal Free Hospital, NW3,
February 3.

From Professor R. J. Barry

Sir, Your correspondence on abortion has repeatedly referred to every fertilized egg as unique. This is probably true, but it is a poor argument against abortion, since there is no moral value in uniqueness per se.

The sense in which a fertilized egg is unique is entirely a combinatorial one of reassorted chemical molecules. Moreover, both the sperm and the egg which fuse are unique in exactly the same sense, and no one worries about the million of sperm and eggs which never achieve any further development.

Even worse, a cancer cell usually results from a mutation in a cell of a unique individual, and is therefore also unique, but such a cell is never a cause for ethical concern.

The present confusion is probably a hangover from the days when a fertilized egg was believed to contain the adult in miniature. (It is not

all that long ago when the sperm was thought to contribute all the form of the next generation; the female merely nourished the all-important homunculus provided by the male.)

This is now known to be incorrect: almost any cell of an individual has the potential to function as a fertilized egg, and this potential has been experimentally realized in experiments with amphibia in which the nucleus of an adult cell has functioned as an egg nucleus. The egg is merely a cell which is "switched on" for development.

The essence of the Christian (as opposed to the medical or sociological) argument against abortion is that every person is an immortal soul. It is false extrapolation to assume that the "life" from God which transforms a biological being into a spiritual one is automatically given to every fertilized egg. Such an assumption is far too all-embracing and denies the sovereignty of God, who is the giver of life.

The Church of England agnosticism as to when (and, by implication, if) a foetus acquires immortality is much better. After all, every person or tapeworm has perfectly good biological life and is almost certainly genetically unique. Bad biology will not make good ethics.

Yours, etc.
R. J. BARRY,
Royal Free Hospital School of Medicine,
University of London,
8 Hunter Street, WC1,
February 4.

From Dr C. B. Goodhart
Sir, Professor Glanville Williams is quite right (January 31), that the 1967 Abortion Act was never intended to permit abortion simply on request, but only for proper medical reasons duly certified by two doctors acting independently and in good faith, taking due regard for the child.

But that isn't how it has worked out in practice. This is because in its first form, omitting the words "grave" and "serious" in the original version of Mr David Steel's Medical Termination of Pregnancy Bill (1966), it requires only that the risk to the mother's life should be greater than if the pregnancy were terminated.

And since the risk to her life in an early therapeutic abortion is now practically nil, that will always be less than the nowadays very small, but still not wholly non-existent risks in normal childbirth. So this allows abortions for any reason at all, and Professor Peter Hainingford, for one example, has several times publicly declared that he will procure an abortion on the NHS in the London Hospital for anyone who asks for it, requiring no other reason to be given; and he has challenged anyone to show that he isn't acting strictly within the letter of the law.

Professor Williams may also be right that some of the MPs who voted for the Act in 1967 did so in the belief that it would allow of abortions for much broader reasons than the majority supposed. And no doubt many of those who voted to retain the Act unamended do so precisely because in practice it does allow abortion on request.

Mr Steel and his supporters, however, always insisted that the Bill wasn't meant to have that effect, and the Law Commission have confirmed that this was not the intention of Parliament at the time.

But this is what we have now got, whether we like it or not, and it surely cannot be right to keep an Act which in practice does more or less the opposite of what Parliament intended when it was passed.

Yours, etc.
C. B. GOODHART,
Gonville and Caius College,
Cambridge,
February 3.

Invasion of Afghanistan

From The Sayered Idries Shah

Sir, Surely it is already widely known both the capitalist West and the totalitarian East have behaved in a manner regarded as aggressive by the peoples of the countries under their control. Recent letters in your columns, however, must not be taken to imply that only the sinless may be permitted to support virtue. Foreign troops on national soil are objectionable to the people of a country; systems which do not effectively allow a people to choose their own government are always to be opposed.

If there is to be a censorship, or even a modification of expression required, where is it to stop? Someone might object to my sister Amina's letter to you (January 19)

because she is not herself a guerrilla in the field, or the Emir Qurban's rejoinder because he writes from London and not Jalalabad.

It is often said that we must live with the Russians. The point surely is that we have to live with them on their terms. That is what is being offered in Afghanistan.

The unanimity of the Islamic States in the face of the Soviet Union's action has no connexion with sympathy for or antipathy towards either of the power blocks. It stems directly from the commandment in Islam that tyranny and oppression must be fought by every Moslem.

I am, Sir,
yours faithfully,
IDRIES SHAH,
The Athenaeum, SW1,
February 2.

Economic decline

From Major-General D. G. Moore

Sir, As a colleague of Professor R. V. Jones (February 1) in the early postwar years, it fell to me to prepare an analysis among world powers of the educational background of members of the higher ranks of civil (and military) servants. The purpose was to compare the proportion whose training enabled them to influence the evolution of industry by decisions taken on their own judgment in their respective countries.

While the basis of assessment must weight the result, and the quality of their education was not compared, there was no ambiguity in the trend. It is sufficient to quote three significant figures.

The number educated in the sciences or engineering as a proportion of the senior establishment were:

- USSR 1 in 2
- USA 1 in 11
- UK 1 in 32

One the 32 was not enough, and we did not learn the lesson in time. Mr Rees-Mogg refers in your same issue to the Dredging Bank's analysis, highlighting the depressing results of British productivity.

Yours faithfully,
DENIS G. MOORE,
94 Piccadilly, W1.

Insurance eye-opener

From Mr Barry K. Flynn

Sir, Having recently taken the unusual precaution of insuring my spectacles, I was intrigued to discover upon receipt of my certificate that the following "exemption" applies. Apparently I am not entitled to claim if the pair of spectacles in question is either damaged or destroyed by "ionising radiation" or any "explosive nuclear assembly".

I can understand that the current tensions between East and West may well loom large in my insurers' minds. But has it occurred to them, I wonder, that if my spectacles were to be destroyed by a nuclear attack, I would scarcely be in a position to make a claim?

Yours faithfully,
BARRY K. FLYNN,
25 Belgrave Gardens,
St John's Wood, NW8,
February 3.

Complete washout

From Mrs Fanny Freuen-Laton

Sir, Most dry-cleaners and laundresses (report, February 1), do such an abysmal job that I, for one, clothe and bed my household in all that is washable and druggable-dry at home.

Yours faithfully,
F. FREUEN-LATON,
65 Arlington Road, NW1,
February 1.

Chiding the Community

From Miss Beryl Goldsmith

Sir, As the person responsible for organizing the event at which Mr Heath delivered the speech analysed by Mr Ronald Butt (January 31), I am bound to say that I believe the wrong conclusions are drawn.

Certainly Mr Heath was outspoken in expressing regret at the current apparent lack of determination in the European Community to draw closer together in the face of global dangers. Mr Heath is said to regard the Community as a statesman of considerable stature.

The odds are, therefore, that his words will be heeded, especially in view of his continuing close working relationship with prominent European politicians.

What he was saying to the Community governments was quite simple. Stop behaving like a nursery school and start effectively governing, together and in harmony. If you don't, then future generations will hold you responsible for failing to grasp the opportunities that were yours for the taking.

This message in no way implies "the shattering of an ideal". On the contrary, it implies continued

faith that given proper leadership and the political will which inspired the founders of the European Community, most of our current internal problems could be resolved, and the Community would then be free to tackle such major challenges as energy and the global instability which threatens our very survival.

Yours faithfully,
BERYL M. GOLDSMITH,
Deputy Chairman,
Conservative Group for Europe,
Europa House Club,
14 Whitehall Place, SW1,
February 1.

مكنا من الأخبار

THE TIMES

BUSINESS NEWS

Labour law:
cooperation not
confrontation,
page 19

LEICESTER...
centre of
high production
Call: John Brown
0533 548922
Ext 6760

Stock markets
FT Index 447.8, up 2.1
FT Gilt 65.69, down 0.12

Sterling
\$2.2905, up 1 cent
Index 72.5, up 0.2

Dollar
Index 85.1, down 0.1

Gold
\$685.5, up 18

Money
3 mth sterling 17 1/4%
3 mth Euro-S 14 1/4%
6 mth Euro-S 14 1/4%

IN BRIEF

Decca will discuss GEC offer today

The Decca board meets today to consider GEC's £82.5m offer to acquire the company. Decca's shares have risen 7p to 480p and GEC's 10p to 374p yesterday but they are still well above the value of the Decca terms. Decca, whose shares dipped 7p to 235p as well, has not been able to buy in the market since just before GEC announced its intervention last Friday.

Jobbers report very little loose stock around after Decca's steady buying last week. Decca currently controls almost 7 per cent of the ordinary Decca shares and 9 per cent of the non-voting "A" shares.

Iran funds write
Some 100 suits have been filed in United States courts seeking to attach about \$3,000m (£1,350m) of Iranian assets, says Mr Robert H. Mundoe, General Counsel for the United States Treasury, in New York.

£80m Spacelab deal
The United States National Aeronautics and Space Administration has signed a contract worth about \$184m (about £80m) with the European Space Agency for the construction of a second Spacelab scientific laboratory to be carried on board a space shuttle vehicle.

Hotel systems on offer
Computer systems developed for use within the Grand Metropolitan Hotels group particularly the reservation system known as Casper, are to be marketed to outside customers by Grand Metropolitan Systems, Woking, Surrey, it was announced yesterday.

Tootal closes 7 plants
Tootal is closing its five Northamptonshire-based clothing factories with a total of 614 redundancies as a result of the current recession in the United Kingdom textiles. It is also closing two of its shirt factories at Brixton and Westminster, London, with 170 redundancies.

600 redundancies
Nearly 600 jobs are expected to be lost as a shock proposal to close a giant colliery plant at Manvers, near Mexborough, south Yorkshire. The plant is owned by National Smokeless Fuels, a subsidiary of the Coal Board.

Expulsion decision
The Stock Exchange Council will today announce whether it agrees with a recommendation of its disciplinary committee that Mr Terence Webster, the former head of Heddewick Striding Grumbar's gilt-edged department be expelled from the Stock Exchange. Other Heddewick members also face disciplinary action.

Marathon agree
Marathon has paved the way for a smooth transition by agreeing to takeover terms offered by Union Industrial Enterprise of Chateaufort, who are expected to take control of the Clydebank rig-building yard before the end of the month.

UK given limited approval by EEC to restrict imports of American fibres

From Peter Norman
Brussels, Feb 5

Britain was given limited approval by its European partners today to introduce measures to curb the inflow of cheap synthetic fibres from the United States.

Although the European Commission found that the problem of American fibre imports was not community-wide, it accepted that there was a regional problem in the case of the United Kingdom.

Under community rules, Britain can now either seek Commission approval for regional measures to curb imports or the Government can take appropriate action of its own in anticipation of formal Commission approval afterwards.

Mr John Nott, Secretary of State for Trade, said he would report the results of today's meeting of EEC trade ministers to the House of Commons on Friday. Observers in Brussels expect he will use the occasion to announce measures against United States fibres imports.

Mr Nott's statement, which was anxiously awaited by the whole United Kingdom textile industry, said Mr Leonard Regan, president of the British Textile Confederation.

"These man-made fibres and downstream textile products from the United States are imported here at disruptive low prices and in rapidly rising quantities, owing largely to America's dual energy pricing policy, which is recognized

throughout the world as unfair and discriminatory," he said. "Many jobs have been lost in Britain and thousands more are at risk, together with huge amounts of capital investment, in the man-made fibres industry and in companies producing goods such as carpets, bedlinen and fabrics containing man-made fibres."

"Facing this latest failure to agree EEC measures, immediate action by the United Kingdom Government is essential."

Mr Nott, in what was thought to be a reference to imports of polyester fibre, told today's meeting that the British market share of one United States product had increased from 3.9 per cent in 1977 to 26 per cent in the final quarter of last year. He underlined that American imports were damaging the synthetic fibre industry in Northern Ireland.

The meeting of EEC trade ministers was reported to be a brief and low-key affair. The European Commission is trying hard not to provoke a trade war with the United States.

By putting the synthetic fibres issue back to the British Parliament, it is attempting to maintain its free trade credentials with the administration in Washington in the hope that the American government can withstand pressures from its steel industry for protectionist action that would badly hit European steel exports to the United States.

Joint action needed, page 18

Poor outlook for business reflected in survey

By Patricia Tisdall
Manufacturing industry is sliding deeper into recession and the outlook is even gloomier according to the Confederation of British Industry's quarterly survey, of trends yesterday. But the downturn has received less acceleration from the steel strike than expected.

Business confidence already low in the survey, made in October has taken a further knock. The survey covers nearly 2,000 companies and 50 per cent reported that they are less optimistic about general business prospects in their own industries than they were four months ago. In October the figure was 42 per cent.

Commenting on the results in relation to the steel strike,

Sir John Methven, the CBI's director general, said that "the gloom has plateaued a bit. We had expected that trade and industry would be in very serious difficulties by the end of January but it looks as though it has managed remarkably well so far."

Further falls in employment are expected. The survey shows that 40 per cent of companies have shed labour during the last four months while 42 per cent expect to have fewer workers by late spring.

Industries most affected are those producing ferrous metals, shipbuilding and marine engineering, man-made fibre production and agricultural machinery, although the trend towards lower employment is discernible in almost all industries.

There is continued deep concern about export price competitiveness.

Companies are also expected to cut back on expenditure both on stocks and fixed investment because of falling demand and the deteriorating cash flow in industry.

Current stocks continue high with 80 per cent of companies assessing their finished stocks as "adequate" or "more than adequate", compared with 73 per cent in October and 70 per cent in July.

But stocks of raw materials and components have dropped slightly from the high levels reported earlier and are expected to fall further in the next few months.

Although there was considerable stockpiling in anticipation of the steel strike there was

also some involuntary stock-building due to sluggish demand.

The decline in volume of total new orders has grown no worse since October but a greater reduction in demand is expected. Thirty-six per cent of firms expect a drop in new orders in the next four months, compared with 31 per cent in the preceding survey.

Of the broad industry groups, the textiles sector reports the greatest fall in demand in the last quarter while electronic goods are the most buoyant.

Nearly 10 per cent of companies have more than six months assured production in terms of orders on hand. The figure was the same in October and 12 per cent in July.

Sir Raymond Penneck, chairman of the CBI's economic

situation committee, said that considering the tough conditions industry "has stood up fairly well and certainly not panicked in anyway".

He said it was a sad reflection on how manufacturers had become used to preparing for strikes and had learned to live with them. Out of the last five quarterly surveys three had been made during major industrial disputes.

Investment in building and machinery is expected to continue to slide. The proportion of industrialists who expect to authorize less capital expenditure on buildings in the coming year than in the last 12 months has risen from 10 to 11 per cent. The number of those who expect to spend more has dropped from 17 per cent to 12 per cent.

Jobbers win access to overseas markets

By Peter Wainwright
Jobbers who feared that the 46-member Stock Exchange Council in yesterday's debate would fudge the issue of giving them wider access to markets overseas were feeling relieved last night.

The council, which simply conceded the principle of "clearer contact" at its meeting on December 4, has now decided to issue revised rules in the next day or two.

These rules will need confirming in six weeks after member firms have been consulted. It confirmed that nobody last night was doubting that they would be jobbers will be given wider access to members of stock exchanges abroad.

Some members could see no need for haste in reorganizing the stock market when it could be up to five years before they have to do so.

Normally the council gives members a fortnight to discuss proposed rules before confirming them. The council conceded this time is seen as "reflecting the controversial nature of the discussion".

Jobbers were quick to play down the scope of the concession. One firm said it will not lead to a speedy increase in overseas business, adding: "In practice, it will be less than half a loaf."

However a council member whose firm does a useful overseas business confessed that he was worried. He pointed out that foreign clients appropriate rates of commission, but jobbers could offer them a cheaper service.

Some members could see no need for haste in reorganizing the stock market when it could be up to five years before they have to do so.



Prince Charles arrives at the British Institute of Management headquarters in central London yesterday to spend a day talking to middle managers as part of his programme to learn more about industry. He is flanked by Mr Leslie Tolley (left), the BIM chairman, and Mr Roy Close, the organization's director general. The Prince, who made a controversial speech last year criticizing management for lack of communication with workers, spent his time at Management House yesterday talking to marketing and production managers as well as those involved with employee relations. Last week he visited the General and Municipal Workers Union.

Pound again in strong demand

The pound was in strong demand again yesterday on foreign exchange markets. Sterling rose by half a cent to close at 2290 1/2 against the dollar and jumped by 0.2 points against an average of currencies to reach 72.5 per cent of its end-1971 value, its highest level since last summer.

Funds have been drawn into London over recent weeks because of the high interest rates and because of North Sea oil. Although the Government is committed to a freely floating pound, the Bank of England's smoothing operations in the last two months have led to a stable rate in the money market.

Yesterday's banking figures did not upset the currency market because they merely confirmed the view that interest rates would remain high. It has been official policy since the beginning of 1977 to reserve the use of sterling to preserve currency. The Bank of England discourages other governments from holding pounds as part of their official holdings of foreign currency.

Yesterday a British banker called for a greater international role for sterling. Mr John Forsyth, of Morgan Grenfell merchant bankers, said that a reserve role for the pound should go hand in hand with the open capital markets in London.

He commented that there had not been a significant reduction in the share of reserves held in pounds over the last three years. This had gone from about 21 per cent of total reserves to about 2 per cent. The big drop had come earlier. In the early 1960s the pound accounted for about 35 per cent of world reserves.

Mr Forsyth added that the North Sea oil was now exerting a strong upward pressure on the pound, which created problems for British industry.

Japan to resume Euro lending

By Ronald Pullen
Banking Correspondent

Japanese commercial banks are expected to resume lending in the Eurocurrency market from April. According to reports in Tokyo, the Japanese monetary authorities will lift the ban on Japanese banks participating in syndicated dollar loans to non-residents in an attempt to make it easier for them to handle the recycling of the Opec surplus. This is estimated to be more than \$100,000m (about £50,000m) this year and, as a result of the concern in some Opec countries about depositing funds in United States banks after the freeze on Iranian assets, Japanese banks could "win" a larger share of Opec oil money.

The Japanese Finance Ministry prohibited the 20 or so commercial banks' activities in the Eurocurrency market last October because of its concern that Japanese banks were too competitive in their lending rates and worried that they tended to lend to high-risk country borrowers.

Japanese banks have acquired a reputation in international banking markets for offering very liberal lending terms in the Eurocurrency business with their participation in several loans, especially on French public utilities—one of the factors behind the narrowing of margins to 1 per cent and a lengthening of maturities over the last two years.

The Japanese authorities have now decided to lift the ban on the banks involved in the syndicated lending business. The suggestion is that quantitative controls will be applied to their loans with total quotas to be fixed at around a half the level of their lending before last October's ban, which ran at \$1,000m (about £500m) a month.

The move comes at a poor time for the Eurocredit market generally, where bankers had just managed to start improving the terms for loans. The influx of a sizeable lending capacity from Japan, it is feared, could upset the gently recovering market.

The latest relaxation is unlikely to be accompanied by any easing of yen lending to foreigners, which is closely controlled by the Bank of Japan to protect the country's balance of payments.

He said the next 18 months would be extremely difficult for industry. There would, inevitably, be some casualties when interest rates were high and the steel strike started to bite. Some companies with a reasonable business might feel in with big brother to help them over such a period. He hoped to see good well managed companies strong in their own right prepared to take on this challenge.

The agency will be able to produce a financial package which would help both sides.

Mr Durbie said some companies in trouble had approached the agency too late for help—when the receiver was at the door. In cases where a company collapsed there were often too many creditors to deal with, said that could be picked up and made viable and profitable, provided the right management expertise was called on.

Mr Durbie had already sounded out the scheme and believed there were companies in Scotland willing to help.

The agency's investment portfolio is being transferred to a holding company known within the agency as Scorhold, which will distinguish the SDA investment activity from its other functions of industrial promotion and land renewal.

The SDA announced six company investments totalling more than £800,000. These would create almost 200 new jobs and support a further 700 as a result of loans and shareholdings in businesses ranging from engineering to yarn spinning.

Your Directors recommend that a final dividend be paid of 10% making with the 5% interim paid on 7 August, 1979, a total of 15%. Last year the total dividend was 10.4285%.

There was an increasing demand for the Company's products and sales improved as the year progressed. The policy of producing best quality non-perforated engineering and facing bricks from our excellent extruder marls has enabled a countrywide market to be developed.

The works improvements at Sedgely, to which I referred in my last year's statement, have been entirely successful. The reconstruction scheme at Kingsbury is now well under way and at this works all kilns are being replaced by new ones which have been specially designed to achieve a high fuel efficiency. Improved methods of production are being introduced and the scheme is planned for completion well before 30 September, 1980. The full benefits of this will not be realised until the year 1980/81.

It is not possible to make a realistic forecast of prospects for the next year as so much depends on an improvement in the national economic situation. The measures introduced by the Government to bring inflation under control will not, in the short term, be helpful to the building and construction industries. If they persist, high interest rates are likely to bring about a slow down in house building. This would affect the demand for our Harlebury bricks which are mainly supplied to this market. There have been substantial increases in the price of fuel in the latter half of 1979 and further very substantial rises have been notified and will be payable in 1980.

The Report and Accounts were adopted.

Government doubts on economic forecast

By Caroline Atkinson

The Government's forthcoming White Paper on public spending will probably contain very little economic detail. This would be a reversal of the trend of recent years towards providing more economic background to public spending plans and putting the programme in the context of the whole economy. Such detail of the medium-term prospects for the economy as the Government decides to publish will probably come with the financial statement accompanying the Budget about a week after the spending White Paper. The government has not yet decided how much it wishes to publish of its views of the medium-term outlook.

Early ministerial enthusiasm for publishing a medium-term financial plan, outlining the money supply targets and other financial elements in the economy, has evaporated to some extent. A final decision on this has not yet been taken. Views differ among Treasury ministers about the wisdom of such a plan. The Financial Secretary, Mr Nigel Lawson, has been strongly in favour of publishing one and believes it would help to build confidence in the Government's commitment to reduce inflation.

However, Mr John Biffen, the Chief Secretary to the Treasury and a Cabinet member, is sceptical about the value of such a plan. He does not believe that the Government can make accurate forecasts of the economy and feels that publishing a plan based on inaccurate predictions is pointless.

Mr Terry Burns, the Government's new chief economic adviser, was a keen advocate of a medium-term financial plan while outside the Government. He has now been asked to press for one since taking up his Treasury job at the beginning of the year.

Mr Burns has spent some time looking at the medium-term forecasting done in the Treasury and is now drawing up a document to show how such a financial plan might look. It remains to be seen whether he can convince the Chancellor and the Prime Minister that they should publish one.

Ministers seem to have been put off the idea of such a plan partly because of the gloomy picture about the economy shown for the next few years. North Sea oil revenues are not expected to begin to ease the Government's financial constraints in a big way until 1982-83.

Short-term forecasts for the economy will be published as usual with the Budget. These will show a sharp drop in output this year.

Any lingering doubts by the Chancellor of the Exchequer that bosses would not want any more money after their hand-outs in higher pay in the last Budget are way off beam, according to Keyser Ullman's newly published report on directors' remuneration.

Discussions with more than 100 companies produced one clear message: board members will receive increases this year which in percentage terms will be at least equal to those received by their subordinates.

A very snuffy note crept into the report. The suggestion that increases at the top should be held back due to the benefits gained from the income tax changes found very little acceptance.

One can see all the directors interviewed nodding their heads when it was pointed out that, after all, "salaries had not in the past been increased when tax rates rose, to compensate for tax changes".

But the reduced higher tax rates—the top rate was pushed from 75 to 60 per cent—has made some differences. In the past it was perks, perks and more perks as bosses found it

Norton loses 'royalties' case against Meriden

The Meriden motorcycle co-operative yesterday won a High Court battle in London over the amount it has to pay for the right to manufacture Triumph motorcycles.

Norton Villiers Triumph had claimed that the co-operative—Triumph Motorcycles (Meriden) Ltd—should have paid them £55,447—1 per cent of the co-operative's sales—which only £26,514 had been paid.

But Mr Justice Lloyd ruled that, under agreements between the companies, the co-operative had to pay less than half of the sale price of the motorcycles.

He upheld the cooperative's contention that the sum paid represented its total obligation between January 1 and June 30, 1979, and dismissed NVT's action, with costs.

£260m bid snag
Imperial Group's £260m bid for the United States hotel and restaurant group Howard Johnson has run into a baffling hitch. The Californian Beer Wholesalers Association is petitioning against the liquor licence granted to Imperial by the Californian authorities.

move into manufacturing, rather than the retail or service industries. Making things, it appears, is "significantly" better paid than selling them—at the director level anyway.

However, this particular distinction does not persist when it comes to the individual responsibilities within companies. Finance and sales or marketing directors tend to be better rewarded than the rest of their colleagues, while poor old production tends to be the least well rewarded function and is not always represented at board level.

And, with an eye still on the main chance, those in pursuit of the highest rewards should

changes found very little acceptance.

One can see all the directors interviewed nodding their heads when it was pointed out that, after all, "salaries had not in the past been increased when tax rates rose, to compensate for tax changes".

But the reduced higher tax rates—the top rate was pushed from 75 to 60 per cent—has made some differences. In the past it was perks, perks and more perks as bosses found it

Aid scheme for Scots companies

By Ronald Faux

A scheme for the strong to help the struggling in Scottish industry was announced yesterday in Glasgow by Mr Robin Durbie, the recently-appointed chairman of the Scottish Development Agency. Making his first appearance as chairman at a press conference, Mr Durbie said that a register of leading companies prepared to help rescue others in trouble was being compiled by the agency.

He said the next 18 months would be extremely difficult for industry. There would, inevitably, be some casualties when interest rates were high and the steel strike started to bite. Some companies with a reasonable business might feel in with big brother to help them over such a period. He hoped to see good well managed companies strong in their own right prepared to take on this challenge.

The agency will be able to produce a financial package which would help both sides.

Mr Durbie said some companies in trouble had approached the agency too late for help—when the receiver was at the door. In cases where a company collapsed there were often too many creditors to deal with, said that could be picked up and made viable and profitable, provided the right management expertise was called on.

Mr Durbie had already sounded out the scheme and believed there were companies in Scotland willing to help.

The agency's investment portfolio is being transferred to a holding company known within the agency as Scorhold, which will distinguish the SDA investment activity from its other functions of industrial promotion and land renewal.

The SDA announced six company investments totalling more than £800,000. These would create almost 200 new jobs and support a further 700 as a result of loans and shareholdings in businesses ranging from engineering to yarn spinning.

Your Directors recommend that a final dividend be paid of 10% making with the 5% interim paid on 7 August, 1979, a total of 15%. Last year the total dividend was 10.4285%.

There was an increasing demand for the Company's products and sales improved as the year progressed. The policy of producing best quality non-perforated engineering and facing bricks from our excellent extruder marls has enabled a countrywide market to be developed.

The works improvements at Sedgely, to which I referred in my last year's statement, have been entirely successful. The reconstruction scheme at Kingsbury is now well under way and at this works all kilns are being replaced by new ones which have been specially designed to achieve a high fuel efficiency. Improved methods of production are being introduced and the scheme is planned for completion well before 30 September, 1980. The full benefits of this will not be realised until the year 1980/81.

It is not possible to make a realistic forecast of prospects for the next year as so much depends on an improvement in the national economic situation. The measures introduced by the Government to bring inflation under control will not, in the short term, be helpful to the building and construction industries. If they persist, high interest rates are likely to bring about a slow down in house building. This would affect the demand for our Harlebury bricks which are mainly supplied to this market. There have been substantial increases in the price of fuel in the latter half of 1979 and further very substantial rises have been notified and will be payable in 1980.

The Report and Accounts were adopted.

Margaret Stone

Machine tool industry fighting for recovery

By Edward Townsend

Britain's machine tool industry is fighting a rear-guard action to show the world that it can defeat foreign competition in a sector of manufacturing industry with the most up-to-date high technology equipment.

This is the message from Mr John Halbert, president of the United Kingdom's Machine Tool Trades Association, who said yesterday: "Of one thing I am certain, it is no longer possible to talk ourselves out of a recession as it is to talk ourselves into one. And the sooner the world starts doing more of the former and less of the latter, the sooner economic growth will return."

Mr Halbert said that if there was going to be an economic upturn in 1982, "they it will be those countries who, those companies that want to, whose investment programme now that will take the lead and enjoy success and prosperity in the latter half of the 1980s".

Mr Halbert was speaking against the background of a decline in machine tool sales which has resulted in the United Kingdom industry suffering a deficit of overseas

trade for the first time last year. But machine tool industry leaders are predicting that its sales for 1980 will match last year's £550m and that the deficit will be wiped out.

Domestic machine tool manufacturers will be exhibiting at the MTEA's Mach 80 international exhibition at the Birmingham National Exhibition Centre in April and Mr Halbert said it provided the United Kingdom industry with an opportunity "to alter the course of history".

Machine tool makers were investing about £100m, of which 50 per cent came from British producers, in machines and flow to promote their products at Mach 80.

The exhibition will be the largest machine tool display ever staged in the United Kingdom with 1,000 companies from 40 countries taking part.

Turning to the effects of the steel strike, Mr Halbert said that in general the industry had stocks for about five weeks but if the strike were to extend beyond that the effect on the credibility of British industry overseas could prove catastrophic.

Baggeridge Brick Company Limited

The Thirty-sixth Annual General Meeting of Baggeridge Brick Company Limited was held on February 5, 1980, at the Midland Hotel, Birmingham. The following are extracts from the statement by the Chairman, The Hon. P. A. Ward, circulated with the Report and Accounts.

I have pleasure in reporting record results for the year ended 30 September, 1979. The profits before tax totalled £571,646. Last year they were £325,123. It will be seen from the Report of the Directors that in accordance with the requirements of the Accounting Standards Committee there has been a change in the treatment of deferred taxation. Due primarily to the effect of capital expenditure in the year on kilns, plant and machinery of £701,268, compared with £126,774 last year, there is a low charge for taxation and the profits after taxation amount to £502,821 compared with £137,010.

Your Directors recommend that a final dividend be paid of 10% making with the 5% interim paid on 7 August, 1979, a total of 15%. Last year the total dividend was 10.4285%.

There was an increasing demand for the Company's products and sales improved as the year progressed. The policy of producing best quality non-perforated engineering and facing bricks from our excellent extruder marls has enabled a countrywide market to be developed.

The works improvements at Sedgely, to which I referred in my last year's statement, have been entirely successful. The reconstruction scheme at Kingsbury is now well under way and at this works all kilns are being replaced by new ones which have been specially designed to achieve a high fuel efficiency. Improved methods of production are being introduced and the scheme is planned for completion well before 30 September, 1980. The full benefits of this will not be realised until the year 1980/81.

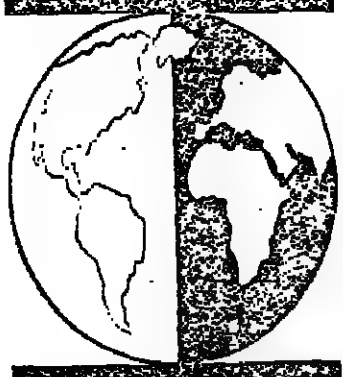
It is not possible to make a realistic forecast of prospects for the next year as so much depends on an improvement in the national economic situation. The measures introduced by the Government to bring inflation under control will not, in the short term, be helpful to the building and construction industries. If they persist, high interest rates are likely to bring about a slow down in house building. This would affect the demand for our Harlebury bricks which are mainly supplied to this market. There have been substantial increases in the price of fuel in the latter half of 1979 and further very substantial rises have been notified and will be payable in 1980.

The Report and Accounts were adopted.

Margaret Stone

PRICE CHANGES

Rises					
Barlow Rand	28p	to 428p	Leslie	12c	to 330c
Braham Mill	2p	to 17p	Massey-Ferg	25p	to 475p
Cons Gold Fields	13p	to 482p	Middle Wits	37p	to 430p
Essex Gold	20c	to 595c	Sanger J. E.	2p	to 15p
Hawtin	1p	to 141p	Trenius	8p	to 83p



IRI Group has debts of £13,300m

The Italian state-owned IRI (Istituto per la Ricostruzione Industriale) group has debts of £13,300m, it has been revealed.

The group, which started seriously last year after Mr William Miller, as chairman of the United States Federal Reserve Board, called for minimum reserve requirements on Eurobanks to regulate the growth of their lending, had already been in the red. According to the European central bank officials, progress now appears to be even more difficult for fear of upsetting the market. But in days to come, it appears there will be more interest in the introduction of controls at least a prudent nature.

Mr Gordon Richardson, the Governor of the Bank of England, emphasized earlier this week the importance of controls on international banking. Britain has now started to collect figures on the country risk exposure of banks. Minimum reserve requirements as suggested by Mr Miller are the very last thing that the Bank needs at present.

The market is again facing the huge task of recycling Opec surpluses that have been estimated at around \$100,000m a year for the next four years.

To impose a minimum reserve requirement on the Eurobanks would be to impose a tax on their operations at a time when many are not in a good position to shoulder such a burden and when it would be reasonable to expect the banks themselves to be adopting more cautious lending policies in their own self-interest.

Prudential controls, on the other hand, would not act as a tax on the banks and could be employed in such a way as to encourage banks to build up their own capital.

One step would be to introduce tougher minimum ratios between a bank's capital resources and lendings. To be effective the measures taken by individual host countries would have to be coordinated internationally or anchored in a general agreement to introduce consolidated balance sheets for international banks.

Some monetary authorities are moving towards such policies. The West German finance ministry, for example, has plans to oblige banks to consolidate their foreign subsidiaries and so bring them in the scope of Germany's strict capital to lending ratios.

The Luxembourg banking authorities are also thought to be considering the tightening of capital to lending ratios to around 3.8 per cent from 3 per cent at present.

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

Oil price rises pose renewed challenge of recycling Opec's surpluses

Search for Euromarket controls

History has little respect for the working routines of committees.

The explosion of Opec's surplus position as a result of oil price rises of 1979 and the Iranian and Afghanistan crisis have overtaken the deliberations of the groups set up under the auspices of the Bank for International Settlements to look into the possibilities of more information and more control over the Euromarkets.

The work, which started seriously last year after Mr William Miller, as chairman of the United States Federal Reserve Board, called for minimum reserve requirements on Eurobanks to regulate the growth of their lending, had already been in the red. According to the European central bank officials, progress now appears to be even more difficult for fear of upsetting the market. But in days to come, it appears there will be more interest in the introduction of controls at least a prudent nature.

Mr Gordon Richardson, the Governor of the Bank of England, emphasized earlier this week the importance of controls on international banking. Britain has now started to collect figures on the country risk exposure of banks. Minimum reserve requirements as suggested by Mr Miller are the very last thing that the Bank needs at present.

The market is again facing the huge task of recycling Opec surpluses that have been estimated at around \$100,000m a year for the next four years.

To impose a minimum reserve requirement on the Eurobanks would be to impose a tax on their operations at a time when many are not in a good position to shoulder such a burden and when it would be reasonable to expect the banks themselves to be adopting more cautious lending policies in their own self-interest.

Prudential controls, on the other hand, would not act as a tax on the banks and could be employed in such a way as to encourage banks to build up their own capital.

One step would be to introduce tougher minimum ratios between a bank's capital resources and lendings. To be effective the measures taken by individual host countries would have to be coordinated internationally or anchored in a general agreement to introduce consolidated balance sheets for international banks.

Some monetary authorities are moving towards such policies. The West German finance ministry, for example, has plans to oblige banks to consolidate their foreign subsidiaries and so bring them in the scope of Germany's strict capital to lending ratios.

The Luxembourg banking authorities are also thought to be considering the tightening of capital to lending ratios to around 3.8 per cent from 3 per cent at present.

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

History has little respect for the working routines of committees.

The explosion of Opec's surplus position as a result of oil price rises of 1979 and the Iranian and Afghanistan crisis have overtaken the deliberations of the groups set up under the auspices of the Bank for International Settlements to look into the possibilities of more information and more control over the Euromarkets.

The work, which started seriously last year after Mr William Miller, as chairman of the United States Federal Reserve Board, called for minimum reserve requirements on Eurobanks to regulate the growth of their lending, had already been in the red. According to the European central bank officials, progress now appears to be even more difficult for fear of upsetting the market. But in days to come, it appears there will be more interest in the introduction of controls at least a prudent nature.

Mr Gordon Richardson, the Governor of the Bank of England, emphasized earlier this week the importance of controls on international banking. Britain has now started to collect figures on the country risk exposure of banks. Minimum reserve requirements as suggested by Mr Miller are the very last thing that the Bank needs at present.

The market is again facing the huge task of recycling Opec surpluses that have been estimated at around \$100,000m a year for the next four years.

To impose a minimum reserve requirement on the Eurobanks would be to impose a tax on their operations at a time when many are not in a good position to shoulder such a burden and when it would be reasonable to expect the banks themselves to be adopting more cautious lending policies in their own self-interest.

Prudential controls, on the other hand, would not act as a tax on the banks and could be employed in such a way as to encourage banks to build up their own capital.

One step would be to introduce tougher minimum ratios between a bank's capital resources and lendings. To be effective the measures taken by individual host countries would have to be coordinated internationally or anchored in a general agreement to introduce consolidated balance sheets for international banks.

Some monetary authorities are moving towards such policies. The West German finance ministry, for example, has plans to oblige banks to consolidate their foreign subsidiaries and so bring them in the scope of Germany's strict capital to lending ratios.

The Luxembourg banking authorities are also thought to be considering the tightening of capital to lending ratios to around 3.8 per cent from 3 per cent at present.

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

History has little respect for the working routines of committees.

The explosion of Opec's surplus position as a result of oil price rises of 1979 and the Iranian and Afghanistan crisis have overtaken the deliberations of the groups set up under the auspices of the Bank for International Settlements to look into the possibilities of more information and more control over the Euromarkets.

The work, which started seriously last year after Mr William Miller, as chairman of the United States Federal Reserve Board, called for minimum reserve requirements on Eurobanks to regulate the growth of their lending, had already been in the red. According to the European central bank officials, progress now appears to be even more difficult for fear of upsetting the market. But in days to come, it appears there will be more interest in the introduction of controls at least a prudent nature.

Mr Gordon Richardson, the Governor of the Bank of England, emphasized earlier this week the importance of controls on international banking. Britain has now started to collect figures on the country risk exposure of banks. Minimum reserve requirements as suggested by Mr Miller are the very last thing that the Bank needs at present.

The market is again facing the huge task of recycling Opec surpluses that have been estimated at around \$100,000m a year for the next four years.

To impose a minimum reserve requirement on the Eurobanks would be to impose a tax on their operations at a time when many are not in a good position to shoulder such a burden and when it would be reasonable to expect the banks themselves to be adopting more cautious lending policies in their own self-interest.

Prudential controls, on the other hand, would not act as a tax on the banks and could be employed in such a way as to encourage banks to build up their own capital.

One step would be to introduce tougher minimum ratios between a bank's capital resources and lendings. To be effective the measures taken by individual host countries would have to be coordinated internationally or anchored in a general agreement to introduce consolidated balance sheets for international banks.

Some monetary authorities are moving towards such policies. The West German finance ministry, for example, has plans to oblige banks to consolidate their foreign subsidiaries and so bring them in the scope of Germany's strict capital to lending ratios.

The Luxembourg banking authorities are also thought to be considering the tightening of capital to lending ratios to around 3.8 per cent from 3 per cent at present.

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

An outstanding question is whether the Opec countries themselves can be persuaded to carry some of the responsibility for recycling beyond aid increases already decided.

Peter Norman in Brussels

But even countries such as Switzerland and West Germany are coming to accept that a reserve currency role is unavoidable. Accordingly the years of Opec surplus are likely to see a controlled internationalization of currencies like the Swiss franc and Deutsche mark.

LETTERS TO THE EDITOR

Drilling programme needed to test Falklands oil potential

From Sir Bernard Braine, MP, Sir, Lord Shackleton's letter of January 14, in which Michael Frenchman is criticized for giving a misleading picture in his article "How much oil off the Falklands?" requires a reply.

It was Lord Shackleton himself who first aroused serious interest in the subject in his own comprehensive and valuable "Survey of the Falkland Islands" in 1976. Earlier there may have been doubts, Richard Canning, for example, revealed in his "Diaries" that the matter was discussed by the Cabinet on October 24, 1969. "Frankly, no one knows if there is any oil there or not, and, as I said, this may be an under-graduate idea, but the striking fact was that the Foreign Office said the only thing to do was to conceal the suggestion and prevent any testing".

Indeed, it was a cautious footnote in Lord Shackleton's survey that drew attention to the Falkland Islands. Geological Bulletin's estimate that the Falkland Islands area might yield up to nine times proven North Sea reserves.

Nobody gives undue credence to that estimate but the fact remains that the companies have considered it worthwhile recently to undertake expensive seismic and other surveys in the area, possibly because oil

prices now make exploration attractive.

What is needed now, more than ever because of the political instability in the Middle East, is conclusive evidence that hydrocarbon reserves exist in the Falklands. This can only be obtained by exploration and drilling in the offshore Falklands area which are now identified, as Lord Shackleton's letter implies, as being likely to be oil.

It is not for me to say what is good for the Falkland Islanders, but I believe that any controlled exploration of resources could be beneficial to their community, particularly if oil companies could be persuaded to follow the precedent of BP's recent \$4 million aid to the Falkland Islands. As Lord Shackleton states in his survey, there are suitable places in the Falkland Islands (which are two-thirds the size of Wales) for onshore bases which would not greatly disturb the 2,000 islanders.

What is important surely is that the islanders, Britons like ourselves, should be consulted as to whether they would welcome such development. At present they are dependent upon a single product, wool, which is subject to a capricious market. They might well conclude that their future would be better assured than it is at

present if oil development went ahead. Their other major resource, fish, is being exploited by the Comecon countries and by Japan in the absence of a coherent plan for a British fishery in the area. It is worth noting, as did Lord Shackleton's report, that the Falkland Islands are surrounded by the largest untapped source of protein in the world.

Lord Shackleton says in his letter that the basing of oil development activity on the islands must be the subject of a difficult and sensitive judgment. Agreed, but however difficult and sensitive I would submit that no judgment is possible without essential information. That information will only be made available by a drilling programme, possibly jointly conducted with Argentina but under the cover of British sovereignty.

I would hardly think that Mr Frenchman's interesting article would "unsettle" the Falkland Islanders. In my view, the resolution of this important issue, which has global implications, is as important to them as it is to us in this country. It is better that we all know what is going on.

Yours faithfully, BERNARD BRAINE, House of Commons, February 4.

Absurdity of cutting back S Wales coal production

From Dr Alan Williams, Sir, It is absurd that in a time of growing world energy shortage one half of the South Wales coalfield is being threatened with extinction.

The British Steel Corporation's plans to close down and increase coking coal imports will destroy the market for one half of South Wales's coal production.

The EEC countries have all resisted coal imports by subsidizing domestic production. During 1978 West Germany spent £29.5 million on coking coal subsidies, equivalent to £12 a tonne; France spent £15 a tonne and Belgium £24 whilst in Britain the subsidy was barely £1 a tonne. The Welsh Taff is asking for £10 a tonne subsidy on coking coal.

The South Wales coalmines must remain open for other reasons also—those of world energy supply. During the 1970s world oil prices have risen ten-fold, to a minimum of \$26 a barrel or a tonne of coal equivalent. It is probable that during the 1980s oil prices will continue to rise substantially in real terms and this could be accompanied with and accelerated by limits to production imposed by the Middle East countries.

BY THE FINANCIAL EDITOR

Peering through the banking gloom

The Government has always maintained, and quite rightly, that its monetary policy would take time to work.

Credit demand would take some months to respond to real interest rates; and it would take appreciably longer for wage awards to respond to a fall in the real money supply. In that sense, while financial markets may have got it right in believing that a 17 per cent MLR represented the top of the present interest rate cycle, one need have little sympathy with them for the way in which they subsequently tried to jump the gun in the expectation that 17 per cent MLR would prove short-lived.

Even so, the time when the Government's policy should be starting to produce some tangible results ought now to be in sight.

On the face of it, therefore, yesterday's figures from the London clearing banks, pointing to an underlying rise in loan demand in the January banking month of around £1,000m, is hardly reassuring, albeit that part at least will have represented switching from market to overdraft borrowing in the face of the sharp rise in the money market interest rates.

Are there, then, any straws to clutch at? Possibly. There do at last seem to be signs that personal sector loan demand is starting to subside, in which case involuntary stockpiling by the corporate sector (and perhaps some precautionary stockpiling ahead of the steel strike) may provide a reasonable interpretation of what has been happening.

If that is the case, then it may be that bank lending figures will start to improve over the next couple of months as destocking by the manufacturing sector starts to gather pace. Certainly, they will need to if any Budget promise of lower interest rates is to mean with immediate effect rather than later this spring.

Small company audits

Maintaining the status quo

Arguments over the need to audit the accounts of small companies come to a head this week, with a discussion at the council meeting of the English Institute today. The council is expected to be more or less evenly divided upon the subject.

If so, then the split will reflect the feeling of the interested parties none too accurately. For the odd thing about this debate has been, not how great the pressure is for retention of the audit requirement on all companies, but how slight the pressure is for its abolition.

The arguments for abolition are straightforward enough. First, that in the case of very small companies (sole traders and the like), the expense of audit is likely to be far greater than the benefit conferred—to shareholders, creditors, and other interested parties; second, that in the case of many of the rest, the systems audited anyway are likely to be so erratic that a clean audit certificate probably means little, and a plethora of dirty ones will bring the profession into disrepute; third, that the development of higher auditing standards for big companies is likely to be retarded if they must apply equally to the small.



Mr David Young, chairman of the Auditing Practices Committee of the Institute of Chartered Accountants.

The arguments against amendment are equally clear cut: that creditors and outside shareholders, in particular, need the protection of an independent view on the financial health of the enterprise; that management often relies on the compulsory audit as an aid to "good housekeeping"; that the review proposed in lieu of the annual audit has most of its virtues and none of its vices; and last but not least, that abolition of the statutory requirement might put some small accountants out of business.

On the face of it the balance is pretty even. But there are two reasons for supposing that the anti-abolitionists will have their way. First, the possibility that small company accounts will be qualified by the dozen does not appear to be raising doubts in the minds of any users about the efficacy

of the system: rather the contrary, if the submissions of the likes of the Midlands Industry Group and the Accounts Users Group are any guide. And second, there is no real pressure for change from those who risk the ignominy of a qualification—and who pay the bill: small companies themselves.

Associated Fisheries Rewards of retrenchment

A return to profits at Associated Fisheries represents the rewards of retrenchment. Pre-tax profits of £2.2m against the previous year's loss of £2.4m reflect much reduced losses from trawling and a better performance from the land-based activities, including storage, transport and engineering. But the demise of the British fishing industry continues as the EEC debate on a common fisheries policy moves into its third year.

All of which leaves Associated performing a delicate balancing act under its new chairman, Mr Keane Fitzgerald, who is also chairman of 34.5 per cent shareholder Eastern Produce. The problem is: how far should Associated run-down its fleet to restore liquidity and risk being unable (in EEC Commissioners' eyes at least) to fulfil quota levels currently under discussion.

Over the year the fleet has dropped from 80 to 50 vessels and of these, 20 are laid up and a further 6 are performing oil-rig standby duties.

Ahead of the accounts, Associated will only say that disposals have been made at a little over scrap value, although the market, at least, is hoping for a significant improvement in a balance sheet which contained £7m of borrowings at the last year end.

Despite the return to the dividend lists—a full-year payment of 1p net—the shares up 1p to 56p are still speculative. Suggestions that net asset values could rise to around 160p a share on latest disposals could be a long way off-beam. But Associated has undoubtedly attracted some predatory glances in recent months, although Eastern Produce insists its interest is only as an investment.

Oil prices

Betting on a fall

Declining spot prices on international oil markets should give the multinationals the chance to replenish some of their longer term contract supplies. All the multinationals have become short of crude for their refineries as sales at spot prices to independents and on government to government deals have cut traditional sources of supply, but as savings have filled to overflowing, and distressed selling of cargoes has emerged, producer governments have found it increasingly difficult to find buyers at substantially more than the official Opec member state selling price. The companies' technique must be to hold off from buying spot for as long as possible so that more and more distressed selling will come from independents no longer able even to finance the oil in storage or to risk further falls in the price. With little incentive for the producers to sell on spot, their intention must be to maintain their own official selling prices by cutting back production where necessary. In these circumstances company buyers are leaving for the Middle East to try and persuade producer governments to increase contract levels at government selling prices.

The effect will be, if anything, to lend support to the wave of official price increases following Saudi Arabia's move. Providing oil is sold on contract, the multinationals will be ready buyers. Long term access remains the name of the game, and until such time as the companies have more contract crude than they need as a result either of recession or increased production, they will be prepared to pay the new high prices to get it. The less easy it becomes for the Opec members to sell their production, the more chances of the multinationals to shop around and for some sort of sense to return to differentials between different quality crudes.

But as it is taking time for the crude taken away from the multinationals' long term contracts to re-emerge in the markets at reasonable prices, so it will take time for Opec price unity to be reimposed. In the meantime the backdating of the latest increases to January 1st will take much of the benefit of windfall stock profits, and the relatively low price of Aramco crude will continue to have the effect of depressing refinery margins for companies like Shell and BP, which are outside the consortium.

Since mid-1975 Argentina has been top of the world inflation league. The annual rates have varied between 150 and 400 per cent as measured by price rises. Now suddenly the figures for the last quarter of 1979 reflect an annual rate of 32 per cent in wholesale prices.

Supposing this is not a flash in the pan, how has the trick been achieved? The policy, first applied over a year ago, is not one previously tried in a developed economy though Chile, with a minuscule industry and 25 per cent unemployment, did successfully pilot a similar scheme to reduce its inflation to 10 per cent.

On the domestic front, prices are left to market forces where the private sector fixes them: the government does no more than monitor and chastise price rises which it considers excessive by facilitating the import of competitive products. Government fixed prices, which in Argentina include those for most transport, fuel, electricity and utilities, are set well in advance on a downward sliding scale of monthly increases.

Externally, except where inoperable vested interests have intervened, the economic policy has dismantled the protective tariff wall which surrounded Argentine industry, exposing it to foreign competition for the first time in recent history. This has been accompanied by a crawling, peg devaluation against the dollar at a steadily decreasing rate which started off at 51 per cent a month, is now 3 per cent and is scheduled to reach zero by March, 1981.

The intended effect is to squeeze the price rises of Argentina's agricultural exports, as beef, bread and wine are also the main components of the family budget. The competitive disadvantage the manufacturer who raises his prices at a rate above that of devaluation.

Most remarkably, considering today's economic trends, no attempt is made at limiting the increase in money supply and pesos continue to be printed on a scale in the last quarter of 1979 the currency in circulation increased by 48.5 per cent against 7.2 per cent for the wholesale price index.

Tony Emerson

Can Argentina make its anti-inflation policy stick?

Dr Martinez de Hoz, the Economy Minister: his policies have ensured huge support for the peso.



Dr José Alfredo Martínez de Hoz, the Minister of Economy, insists that his anti-inflation policy will succeed: the demand for pesos will be reduced and so automatically will the supply.

But his monetary policy is also the child of his political position—he is employed by the government of the armed forces, 90 per cent of his civilian support at home comes from the financial sector and the confidence of the international banking club in the Argentine economy has been virtually personalized in a vote of confidence for him.

When the armed forces took over the government in 1976 at the height of the subversive war, it was imperative for them to isolate the middle class guerrilla movement from working class support. So the overriding priority in their economic policy was not to let unemployment result from the drastic measures which they took over the country: only a highly inflationary, easy money policy could achieve this, and unemployment never rose over 4 per cent. Although the

security problem is largely solved, it remains a military maxim that inflation is preferable to unemployment.

Latin American officers are also enthusiastic about public works projects, and many a general judges his achievements by the number of concrete and steel constructions (subsequently appallingly maintained) with which he has littered the country. No one denies the need for much of this public investment, but how much can a country with a gross national product the size of Denmark's absorb without the government resorting to the printing machine either to finance it or to service the debt it has originated?

At the military takeover the central bank reserves were down to \$22m if Cuban promissory notes were included, and the internal financial resources amounted to only 6 per cent of gross domestic product. It was vital to resuscitate the financial system and the measures taken to do so have succeeded in that aim.

A high public sector borrowing requirement, helped by the

general under-capitalization of industry, has been used to maintain high interest rates. Interest paid on deposits in any licensed bank or financial entity has been tax-exempt and the deposit and interest guaranteed by the nation. Demand by the financial sector for pesos has been met by the central bank.

Since these measures took effect in 1977 there has been a stampede of depositors ranging from the housewife and pensioner to the multinational corporation.

The number of banks and finance houses of varying degrees of shadiness, for whom the difficulty of obtaining a licence may be compared to that of a casino operator in Britain, has meanwhile multiplied.

The effect on the economy as a whole is controversial since many blame the stagnation in growth over the past four years on the fact that it has been more worthwhile to play finance than to produce goods. But within the context of Dr Martínez de Hoz's anti-inflation policy, the attractions of the financial system ensure huge support for the peso no matter

how highly it is valued against the dollar.

Thus during 1979 a devaluation of 60 per cent has been more than maintained against a rise in the wholesale price index of 128 per cent, for annual effective interest rates have averaged 125 per cent, giving investors a tax-free 40 per cent on their deposits. In theory they run the risk that the minister would break his word and devalue more than according to schedule, but so dependent is Dr Martínez de Hoz on the financial community's good-will that the only effective risk was of his being sacked.

The desired effect of the anti-inflation policy—the convergence between internal price rises and the devaluation of the currency—was slow in coming: on the one hand the first six months of 1979 saw a big rise in the international price of beef and cereals, and on the other hand importers of anything but luxury consumer goods did not intend to leave the market since they needed time to organize distribution, after sales service and the like. Thus as internal prices continued to rise by their traditional 8 per cent a month, an already highly valued peso became even more expensive.

In dollars, Argentina is now the most expensive country in the world in which to live. Industrialists run the risk of competing against imported products which an overvalued peso is dumping on the Argentine market (though importers' profits are lessened by the fact that those farmers not rescued by record international prices cannot make ends meet—indeed the armed forces have insisted on government subsidies to the wool producers of the agriculturally sensitive area of Patagonia).

Is this the prelude to a dramatic recession? Dr Martínez de Hoz's critics are unanimous in forecasting one. His supporters, however, say his policies will be corrected as inefficient firms are forced to sell out or give way to their competitors and the internal rate of inflation drops below the sum of the rate of devaluation and international price rises. If his supporters are right a new chapter will have to be added to text books on fighting inflation.

Labour law: cooperation, not confrontation

The Government's proposals to extend the provisions covering secondary industrial action in the Employment Bill will be widely seen as a response to recent decisions by the House of Lords to overturn the Court of Appeal's judgments in last Friday's British Steel case (Dunlop Steels and Others v Sirs and Others) and in last December's case of Express Newspapers Ltd v MacShane. However, both the proposals themselves and, more important, the political assumptions about the nature of trade union power which underlie them, raise issues which go far beyond those which arose in the House of Lords judgments.

Although of less immediate political consequence, the MacShane judgment is the more significant as regards the legal immunity conferred upon secondary industrial action. The Court of Appeal had granted an injunction against a person acting in "black" work because the blacking, although undoubtedly intended by the union official concerned to further a trade dispute, was nevertheless too far removed from the court's opinion from the dispute to "further it".

Lord Denning based his decision on the requirement that the action had in practice to further the dispute (which in his judgment it did not), while the other two judges in the Court of Appeal came to the same decision by applying the slightly less stringent criterion of whether the act was "reasonably capable" of furthering the dispute.

The Lords, however, would have none of this. The majority of them said that the test of whether a person acted in contemplation or furtherance of a trade dispute was subjective, depending upon the official's state of mind, thus placing no limit upon what he might lawfully do, provided he honestly intended to further a trade dispute.

It would of course, be an easy matter to reverse the Lords ruling in the MacShane case by inserting a deeming



Lord Scarman (left) and Lord Denning: significant rulings in a controversial field.

provision into the 1974 Act so that an act should be regarded as in contemplation or furtherance of a trade dispute unless it is in practice reasonably capable of furthering the dispute; but, before contemplating even such a modest amendment, it is prudent to consider why the Lords rejected even such a limited role for the law to play in industrial disputes.

Having given his judgment in the MacShane case, Lord Scarman went on to say: "I confess that I am relieved to find that the majority of the House would be a strange and embarrassing task for a judge to be called on to review the tactics of a party to a trade dispute in the view of the court in the case of a person who is employed was likely to further, or advance, that party's side of the dispute. . . . It would need very clear statutory language to persuade me that Parliament intended to allow the courts to find as some sort of backstop driver in trade disputes".

Nevertheless, the moderates in the Cabinet are thought to be considering a proposal which goes further even than the limits which Lord Denning sought to impose upon lawful industrial action, in that individuals participating in secondary action—and union officials giving the instructions—should be liable to be sued.

Attractive though this pro-

posal may be to many interests in the community, there are serious reservations about whether it could be made to work. As Lord Scarman pointed out, there are grave jurisdictional difficulties, but these are mild in comparison with the foreseeable legal and industrial problems.

What reason is there to believe that the courts or union leaders will have the power or the means to restrain the possible unofficial action of hundreds or thousands of individual members, and what guarantee is there against the overwhelming likelihood that damages or injunctions against individuals will not merely lead, as in the past, to an escalation of the original dispute?

Such doubts about their long-term effectiveness cause many people to abandon altogether the idea of pursuing legalistic "solutions" to industrial disputes. On the other hand, the more hawkish elements in the Cabinet have gone in the opposite direction and are believed to be canvassing the idea of removing the immunity from legal action of the trade unions themselves (as distinct from individual members or officials) in the belief that the law could then be effectively enforced by action for damages against union funds.

Union leaders and the country would then be confronted by a bleak choice. The first alter-

native would be for the unions to continue to play their existing role in directing and co-ordinating industrial relations affairs, with the consequence of eventual bankruptcy as their assets were sequestered and national stoppages as members sought to protect their organizations by industrial means. The second alternative would be to abdicate their role as leaders and negotiators in industrial disputes, leaving members to take unofficial action and bequeathed employers wondering with whom they should negotiate.

Crucial to any understanding of the present debate about the Government's proposals for industrial law reform is a grasp of the conflicting theories of trade union power which underlie it. On the one hand is the orthodox "Donovan" view, which takes its name from the Royal Commission on Trade Unions and Employers' Associations of 1965-68.

This analysis concludes that central trade union organizations are too weak, lacking the power and the resources to co-ordinate and direct in a progressive way the activities of groups of shopfloor workers led by their shop stewards. Interestingly enough, this was exactly the analysis of a British Leyland industrial relations difficulties proffered by Sir Michael Edwards in a television interview last Thursday.

On the other hand, there is the "overmighty" subject view, which holds bluntly that trade unions (as distinct from groups of members acting on their own initiative) have too much power, which ought to be curbed by whatever means are available.

These contrasting analyses affect directly the day-to-day management of industrial relations on such crucial questions as whether and with whom one should consult about changing working practices, redundancies or investment in the hope of enhancing the unions' cooperation, or whether management should, so far as is expedient, keep the unions in the dark and fight the fires as they break out in the form of disputes.

In the labour law context, adherents of the "overmighty" subject view will support measures designed to expose trade union leaders and trade union

funds to legal action in the belief that unions can thereby be obliged to coerce their members to refrain from secondary industrial action and the like, while the Donovan believers will recognize that union leaders do not have the power, or only a very limited power, to dictate to groups of members contrary to their own desires.

One has also to consider the likely effect of enforcing legal sanctions against trade unions themselves or, alternatively, against individual groups of members. Most lawyers recognize that it is impractical to sue individual members or districts against the hundreds or thousands of individuals who take part in industrial action and most managements would acknowledge the devastating industrial relations consequences of such a policy. This is the view, who believe that the initiative for industrial action grows from the ground up also uphold the traditional abstention of the law from industrial disputes.

By contrast, those who believe that many industrial disputes are founded by the actions of officials against the better judgement of the rank and file can see a purpose in pursuing legal remedies against the unions themselves. Militant shop stewards may perhaps be more unnecessary strife, but the same be said of union officials and the committees of members who in practice direct the union's affairs?

They themselves do not need to be persuaded to the contrary. Most of their time is spent trying to conclude deals which will bring management and members together but, if there are leading industrialists and politicians who believe that such people are irresponsible now in the time to stand up and be counted. Likewise, those managers who believe that the future lies in patient, co-operation between both sides of industry should also speak up before hawkish policies enforce a return to the trench warfare of years gone by.

Brian Capstick

This article represents the author's personal view. Mr Capstick is senior assistant legal officer of the National and Local Government Officers' Association.

Business Diary: Two tiny ladies of Toy Town

Liverpool

They still tell the story here of the founder of a local engineering firm whose idea of rewarding long service was to give employees a little badge. The day duly came round when the founder himself was to retire, by which time a collection box was circulating on the shop floor, so that the founder's departure could be suitably commemorated.

When the box was opened, so they say, it was found to be full of little long-service badges.

Now, how you regard this gesture probably depends upon which side of the management-sunder gulf—which sometimes seems to divide Merseyside as surely as does the Mersey River itself—your sympathies lie.

Whatever your sympathies, however, the point here seems to be that working people have a ready and individual response to what they see as high-handedness on the part of an employer.

This at any rate was what went through my mind yesterday as I wandered around the Bins Road factory of Meccano Limited. Meccano is the subsidiary of Ralph Eshman's Airfix, whose workers were being sitting in since they were made redundant three weeks before Christmas.

This is not the first and it

probably will not be the last. Yet when I asked one of the loyal pair to spell the name of one of the company's managers, she smiled sweetly and began to say "b-a-t-e" until I hurriedly chipped in with another and less contentious question.

Mrs Hanley told me that "it took me three weeks to get this job and 30 minutes to lose it".

On November 9 she had finished her 9 am to 3 pm shift as an assembler when the telephone rang at about 4.40 and she learnt that she was out of a job as from ten minutes before that.

Mrs Owens knew sooner—45 minutes before the 4.30 pm deadline for closure. She and other stewards were called into the office of Ray McNeice, the managing director, at about 3.45 to be told that the plant would close at 4.30 that day.

"We were speechless," said Mrs Owens, an Italian who has since regained her vocal powers. "By the time the stewards got back to their sections, supervisors were already handing out written notices to the 200 workers. More than half of these are women. Many a male sinner-in-suit, were already in tears. Two women collapsed."

"We were expecting bad news, big redundancies, but not closure and not in this way," Mrs Owens said.

Yet when I asked one of the loyal pair to spell the name of one of the company's managers, she smiled sweetly and began to say "b-a-t-e" until I hurriedly chipped in with another and less contentious question.

Mrs Hanley told me that "it took me three weeks to get this job and 30 minutes to lose it".

On November 9 she had finished her 9 am to 3 pm shift as an assembler when the telephone rang at about 4.40 and she learnt that she was out of a job as from ten minutes before that.

Mrs Owens knew sooner—45 minutes before the 4.30 pm deadline for closure. She and other stewards were called into the office of Ray McNeice, the managing director, at about 3.45 to be told that the plant would close at 4.30 that day.

"We were speechless," said Mrs Owens, an Italian who has since regained her vocal powers. "By the time the stewards got back to their sections, supervisors were already handing out written notices to the 200 workers. More than half of these are women. Many a male sinner-in-suit, were already in tears. Two women collapsed."

"We were expecting bad news, big redundancies, but not closure and not in this way," Mrs Owens said.

A hurriedly improvised sit-in began that Friday evening. Management was refused entry on Monday morning and that, two months on, is still that.

"If we'd had our 90 days' notice, there would have been no need for all this," Mrs Owens said bitterly.

Yesterday, the management and union committee met for the first time to discuss the sale of the plant. Last night the Wavertree constituency Labour Party was holding a rally in the works canteen.

The absence of notice and the bitterness it injected into the subsequent wrangle over redundancy terms means that Meccano workers are still unable to draw statutory unemployment pay. They have in apply for discretionary social security payments and not all get it.

State of the factory

About a third of the workers man the five-shift 24-hour sit-in. "We told the disabled not to join us, although they wanted to," Mrs Hanley said. "About one in 20 Meccano workers is disabled and it is

only out of consideration for them that the sitters-in do not have the factory producing. Mrs Owens told me: "We can produce Meccano here. We want to make Meccano here, but we haven't got the insurance cover".

Fun though Meccano may be to play with and to rectify, it is freezing cold even though the gas and electricity are still on. The roof leaks from every conceivable spot, the floors run with water and box after box of Meccano's famous laminated strip lies rusting, never to be engraved in bright reds, yellows and greens.

Much of the machinery would look good in a museum of industrial archaeology.

Even the pickets spend some time each day peeling potatoes for the daily hot meal (it's "scouse" at 12p a plate this week). "The potato peeler has packed up," Mrs Hanley said, "and we can't get a new part for it. It's so antiquated the machine is out of production".

Of the water everywhere Mrs Hanley said: "It's always been like this. When it rained we used to bring wellies in with us because we had to mop up before we could start work".

It is a wretched uncomfortable place in which to work, let alone to idle, though the sitters-in do so cheerfully and politely for non-management visitors. The donations that help to maintain the hardship fund and to pay for the bus fares of sitters-in are slackening off, now that the steel strike has grabbed the headlines.

Fun though Meccano may be to play with and to rectify, it is freezing cold even though the gas and electricity are still on. The roof leaks from every conceivable spot, the floors run with water and box after box of Meccano's famous laminated strip lies rusting, never to be engraved in bright reds, yellows and greens.

Much of the machinery would look good in a museum of industrial archaeology.

Even the pickets spend some time each day peeling potatoes for the daily hot meal (it's "scouse" at 12p a plate this week). "The potato peeler has packed up," Mrs Hanley said, "and we can't get a new part for it. It's so antiquated the machine is out of production".

Of the water everywhere Mrs Hanley said: "It's always been like this. When it rained we used to bring wellies in with us because we had to mop up before we could start work".

The Manty Python film Life of Brian is to scrape its way into Liverpool cinemas despite divisions within the council's licensing subcommittee. One councillor said: "I thought it was a bit on trade unions".

Ross Davies

Union leaders and the country would then be confronted by a bleak choice. The first alter-

VIBROPLANT HOLDINGS LIMITED

Business: Plant Hire Specialists

INTERIM STATEMENT

HALF YEAR TO 30th SEPTEMBER

	1979	1978
Group Turnover	6,761,865	5,374,271
Unaudited Profit before taxation	2,066,800	1,598,856
Corporation Tax 32%	1,074,736	831,408
Group Profit after tax	992,064	767,451
Cost of Dividend (after waivers) Net	231,000	176,880

The Directors have declared an Interim Dividend of 5.25p per share which together with the Associated Tax Credits equivalent to 7.5p per share (1978 6.0p per share). The Dividend is payable to those shareholders on the Register at the 21st February 1980 and will be paid on the 5th March 1980.

Registered Office—Prospect Road, Starbeck, Harrogate, North Yorkshire.

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Gilts weaken but equities hold their ground

There was little respite for gilts ahead of yesterday's January banking figures. An early rally after Monday's weakness due to the squeeze on credit soon petered out, and the tone was already noticeably soft at lunchtime. When the figures for the banking month to mid-January came out at 2.30, the fall of up to a pound in longs were soon recorded. Even at the close short-dated gilt-edged were between 3 and 4 off, and among long falls of 1 were widespread. Dealers reported that the market was weak as business finished.

The reason for the trouble was the rise in sterling advances of London clearing banks to the UK private sector in the five weeks to January 16 of £1.82bn. This is said to point to an underlying trend towards an increase, allowing for seasonal distortions, of £1,000m. The authorities let it be known that the growth in the M3 version of money supply was slower than in bank lending. It apparently advanced by around one per cent.

This leaves the growth in M3 above the Government's target range. Involuntary investment in stocks, and round tripping—bank customers borrowing money from banks and reinvesting it in the money market—are both being blamed—but whatever the reasons, dealers now accept that there will almost certainly be no fall in Minimum Lending Rate before the Budget. At some stage the authorities' funding programme will be resumed.

Equities turned out to be made of sterner stuff than gilts and despite a somewhat easier trend at the close, managed to hold on, in a few cases, to earlier gains.

Trading had got off to a brisk start as prices edged ahead, aided by some small buying and a lot of bear closing as dealers reacted to get their books in order.

ahead of the bank lending figures.

Situation stocks continued to hold some interest, but even these began to wane around noon as the market prepared for the worst. Dealers reported some selling shortly after the announcement but this proved short-lived and the market was left to mark time as interest fizzled out in afternoon.

Nevertheless, the FT Index still managed to make some progress, on the day and after touching its high point of 4.3 at 11 am went on to close 2.1 up at 447.8.

Brokers were quick to recommend Associated Engineering for recovery this year after an unexpectedly good showing in 1978-79, despite three big industrial actions, Ford, the haulage dispute and the engineering go-slow. However, the impression is that the steel strike is succeeding where the three mishaps failed. Brokers are now busy down-grading estimates. The shares are 71p.

Leading industrialists best reflected the situation when some early buying had fizzled out they continued to move between narrow levels. Among those to include rises of just a couple of pence were Unilever at 45p, Glaxo at 48p, Beecham at 19p and Hawker Siddley at 18p. ICI managed

to hold firm at 37p but falls were noted in Fisons 3p down at 27p, BAT's 2p off at 25p and Reed International 4p off at 19p.

Oil shares came in for buying, in particular the second line, following BIOC's announcement of further price rises in its North Sea oil. However, after some good gains early on most followed the market trend and finished easier later in the afternoon. Lamsco were particularly active among the second liners closing 3p up at 43p, after 44p, on bid speculation into Siebens dipped 2p to 67p after 68p. Others to lose ground included Barmah 2p to 18p, Imperial Continental Gas 2p to 69p while Cawoods finished unchanged at 15p, after 16p.

GEC were 6p better at 35p but Decca encountered profit taking and dipped 7p to 48p in the ordinary and 10p to 37p in the 'A'. The original bidder Rascal also took a beating sliding 7p to 21p. Fleetway cost 2p to 13p on press suggestions that they might be next on Rascal's acquisition list.

Elsewhere on the bid front, Armange Shanks improved 1p to 37p on hopes of a higher offer following Ceramic Investments' increased stake. Montague L Meyer rose 4p to 96p on a speculative run while similar interest was also good for rises in Renold, also up 4p to 24p, and S. J. D. D. D. managed a 1p gain at 113p.

95p and Hall Bros Steamship 6p to 161. The latter after news that Shirlstar had sold its entire holding in the group.

Peter Brotherhood, the machinery and power-plant maker is no stranger to bid rumours, but once again they are to be heard. This time it is supposed to be a foreign concern particularly interested in Brotherhood's know-how in turbines. The shares are 65p.

Profit making wiped 3p from Caffery at 17p—which had been the centre of speculation following British Car Auctions' recent acquisition of 71 per cent of the equity—and 12p from Sotheby Parke Bernet at 49p.

Among companies reporting Unitech improved 12p to 160p after a 41 per cent increase in profits at the half-way stage coupled with news of a promising German acquisition for £3.4m. Crouch Group rose 2p to 81p on its half-timer but Steinberg dipped 1p to 18p and Aarssen Bros shed 2p to 63p.

Shipping shares were a relatively firm spot, helped by some interest in Ocean Transport and Trading which boosted the price 4p to 102p. This in turn provided Furness Withy with a 5p rise to 24p and P & O DTD managed a 1p gain at 113p.

Foods also showed some stability following fairly heavy falls recently after fears of another price war. Kwik Save Discount rose 1p to 103p and Billards was unchanged at 151p after some recent disappointing interim figures.

Banks bore up fairly well considering the bad bank lending figures although most were easier on the day, after what had looked like quite a strong start. Lloyds were firm at 288p while a fall of 3p was registered in Midland at 368p and National Westminster at 346p and Barclays at 418p both retreated 2p.

At the same time, discount houses experienced further setbacks in line with the sharp fall in the gilt market as dealers marked prices lower. The one exception being Union Discount which rose 5p to 393p. But elsewhere, Allen Harvey & Ross fell by a similar amount to 33p. Gillies Bros gave up 2p to 217p and Clive Discount managed to finish all square at 73p.

Ferranti maintained its recent strong performance, improving another 2p to 42p while Bowthorpe advanced 3p to 106p but Metc. Box was wiped 4p up at 99p.

Engineers continued to disregard the steel strike for the time being anyway, although the tone was softer at the close. Dowry was confident ahead of its report today, rising 7p to 107p but Metc. Box was wiped 4p up at 99p.

Gold shares were in a more subdued move as the bullion price continued to stabilize.

Equity turnover on February 4, was £88.412m (13.75p bar-gains). Active stocks yesterday, according to the Exchange Telegraph, were, Lamsco, Coors Gold Fields, Rascal, ICI, Aarssen Bros, BAT and GEC.

Profits up as Unitech buys German company

By Rosemary Unsworth
Unitech, the electronic component group, has turned in a strong first half performance and announced a German acquisition worth £3.4m.

The group, which is based at Reading, pushed up pre-tax profits by 41 per cent to £1.98m, while turnover rose 53 per cent from £20.7m to £31.8m in the six months to December 1, 1979. The share price rose 12p to 266p following the news.

But Mr Peter Curry, the chairman, pointed out, the figures included a six month £52,000 contribution from Cema-tel which the group acquired last year for £468,000 cash. This result was in line with expectations, he said.

In addition, Unitech benefited from two months' interest on its £4.7m rights issue in the first half.

"Without these two benefits the increase in sales and pre-tax profits would have been 42

per cent and 22 per cent respectively", Mr Curry said.

The main part of the group's profits growth came from the component marketing division which contributed 45 per cent of sales during the period. But Mr Curry repeated his remarks made at the annual general meeting that margins were lower within the component marketing division.

The corrective measures taken in various divisions last year would not be fully reflected in earnings until the second half of the current year.

Mr Curry said that the group intended to broaden its component marketing activities, particularly its services to the telecommunications and data processing industries. But data for consumer-based products, such as supplies to television manufacturers, had reflected the downturn in that sector, although those products continued to show an overall profit.

The interim dividend had been increased by 20 per cent from 2.5p gross to 3p gross which was forecast at the time of the rights issue.

Unitech has used the rights issue to pay £3.4m cash for Alfred Neye Entschek, a major German electronic component distributor, subject to pre-tax profits of at least £983,000 for the year to December 31, 1979. Net assets amounted to £1.825m in December 1978.

Sales and pre-tax profits last year amounted to £11.5m and £273,000 respectively. The company, which is based in Hamburg, holds six franchises in the UK, including Intel which Unitech already operates in Britain and France.

Mr Curry said he expected the full year results to be better than last year's £3.56m. "While orders and sales continue for the present to increase at a satisfactory rate we anticipate some slowing down in 1980."

Aarson margins under pressure

By Our Financial Staff

Despite record profits and sales, last year, Aarson Brothers, the veneer merchants, were hit by reduced margins which have continued to affect profitability in the current year.

Pre-tax profits rose by 15 per cent to £4m and turnover went up by 37 per cent to £46.9m in the year to September 30, 1979. But trading margins slipped from last year's 9.5 per cent to 8.5 per cent, the group hopes to restore to their previous level of 10 per cent through price increases and improved productivity.

The impact on margins was seen mainly in the second half when there was considerable increase in the price of raw materials, particularly oil, which is used in resin for bonding chipboard. This was partly offset by price increases of around 5 per cent and the board hopes that its own capital expenditure on new plant and factories will improve volume this year. Aarson's capital expenditure in the last four years has totalled £13m.

Increased interest charges and the rise in the value of sterling also contributed to the margin reduction but a further 4 per cent price increase in December should enable the group to continue its growth.

Group exports increased by 23 per cent to £7.9m with a 10 per cent improvement in the EEC, which contributes half export turnover. There were larger increases, however, in

exports to Africa and the Far East where Aarson has been developing new markets. The board anticipates that this growth will continue despite the weakening of net profit margins following the rise in sterling.

A final dividend of 4.23p gross has been proposed which, with the interim dividend of 1.71p, makes a total of 5.94p gross, a 20 per cent increase over 1978's 5.28p. This follows last year's 78 per cent increase after a rights issue and leaves the dividend twice covered.

During the day's stock exchange trading, the share price slipped a couple of pence and settled at 63p, five points above its 1979 "low". The yield is 9.5 per cent and the p/e ratio on a fully-taxed basis is 8.6.

Qualification at Whessoe

Whessoe's accounts have been qualified by auditors, Peat, Marwick, Mitchell, because of the uncertainty surrounding the possible claim against the Darlington-based engineering group by the Qatar Petroleum Producing Authority.

Merger talks between Whessoe and Richard Corbett were discontinued last year when Whessoe received the claim over a fire at a natural gas storage plant in 1977.

Whessoe says in the annual report that the matter is highly complex and may take years to resolve. "Many factors have yet to be determined but Whessoe is not aware of anything which makes it liable to Qatar Petroleum Producing Authority. If any proceedings are brought Whessoe intends to defend them vigorously."

The claim, which is for an unspecified amount, also involves Shell company which was acting on behalf of the Authority and contracted Whessoe to supply and construct the tanks in 1972 and 1973.

Visa credit cards in Austria and India

Visa International, the credit card operation which now boasts 11,830 members worldwide, is expanding with the addition of its first members in Austria and India.

Austria's fourth largest bank, Zentralbank (Zentralbank), recently opened a representative office in London. It is to start issuing cards in April, as will India's largest privately-owned bank, Andhra Bank.

Arrangements have also been made for acceptance of Visa cards through Bank of China throughout China. Three new members have also been announced for the Visa travellers' cheques scheme launched last November. Bank of Scotland will convert its present sterling cheques to Visa from mid-1980. Bank of Bermuda will issue United States dollar cheques next month and Andhra Bank plans to issue cheques in United States dollars and sterling.

Leeds Building Society assets reach £2,730m

Leeds Permanent Building Society, fourth largest in the country, has reported a 37 per cent increase in its assets in 1979, to £2,730m. Mortgage loans were a record at £604m, compared with £538m in 1978, and the number of new borrowers at 49,000 was only 372 fewer than the previous year, despite the pressures of house-price inflation.

Japanese bank for London

The Long-Term Credit Bank of Japan has established a wholly-owned subsidiary, LTCB International, based in the City of London. It has a paid-up capital of £3m and will engage

in the underwriting, distribution and trading of securities in the international capital markets; in the dealing in certificates of deposit and in domestic and foreign yen bonds; in the arranging of private placements and internationally syndicated loans and in general financial advisory services.

LTCB is one of the largest long-term credit banks in Japan with total assets as of September 30, 1979, equal to about \$41,000m.

Green light for BICC deal

The board of BICC says that the Canadian cabinet has given permission to the group's subsidiary, Phillips Cables, to acquire the power cable business of Northern Telecom Canada and the Wire and Cable division of ITT Industries Inc. in Canada with turnover in 1978 of \$11m.

The Government, when considering the re-application, took account of a number of new and improved undertakings by Phillips. Following the receipt of Government permission the purchase agreements with Northern Telecom and ITT were closed.

Phillips Cables is a listed company in Canada with turnover in 1978 of \$11m.

Epicure sells wood working offshoot

Epicure Holdings is selling its subsidiary, Lincoln Wood Working Co. and its associate, Linwood, to Magnet and Southern. The consideration will be based on the net asset value of about £25,000—to be satisfied in ordinary shares. Magnet intends to continue the business and no redundancies are envisaged.

Royal raises premium for house cover

Royal Insurance is the latest insurer to raise the premium for its housebuildings cover. After 50 years without change, the rate is being increased on April 1 from 12.5p to 15p per £100 sum insured. At the same time some improvements to the basic cover are being added—including the new famous "heavy" upward ground movement—the opposite of subsidence. The new clause for subsidence is being altered to £500 instead of £250, or 3 per cent demerit cover for owner liability of rebuilding cost. Inability to be doubled to £500,000.

Lloyds Bank launches smaller firms trust

Lloyds Bank is to launch its first new unit trust for four years this weekend. "Around 60 per cent of the portfolio of the smaller companies and Recovery Fund will be invested in smaller companies with a minimum market capitalization of £1m, with the balance in high-yielding stocks

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
£m	£m	£m	per share	pence	date	total
Int of Fin	46,934.2	4,003.4	10.12(14)	10/4	4.2(3)	10/4
Assoc Fish (F)	73,577	2,212.46	10.12(14)	0.75(1)	1.0(1)	1.0(1)
Crouch Gp (I)	7,9(6.3)	0.35(0.28)	4.45(6.72)	1.07(1.0)	1/5	(4.0)
Lon & Garmore (I)	—	0.13(0.09)	0.46(0.32)	—	—	(0.75)
Steinberg Gp (I)	12,13(12.0)	1.0(1.0)	5.91(6.3)	0.4(4)	0/4	0/4
Unitech (I)	31.7(20.7)	1.9(1.4)	5.9(5.1)	2.11(1.7)	1/4	(5.0)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net, a, gross revenue for both half-years; b, loss.

Crouch held back by Irish results

Half-time profits of Crouch Group, the housebuilders who are now committed to property development, rose 25 per cent to £356,000, the group reported yesterday. Turnover rose 27 per cent to £7.9m.

Profits would have been higher had it not been for the Irish housebuilding arm, Crouch (Ireland), which chairman Mr Ronald Clempson said continued to turn in a poor performance. Last year the group re-organized its management in Ireland but Mr Clempson said that with the general economic situation, the company had failed to improve.

It is a potential loss-maker, and we may dispose of it," he said. Negotiations were already in hand to remedy the situation.

Elsewhere, difficult conditions throughout the construction industry affected Crouch Construction, although it has been successful in obtaining new contracts in the private sector.

Mr Clempson said the first-half profits were generated by the traditional aspects of the group, with a fillip from its new property investment and development, which he sees as eventually playing a dominant role in profits.

It has completed the letting of a development in New York ahead of time and the rental income was higher than expected. The rent for properties in the United Kingdom has also been above expectations. Both these will be reflected in part at the year-end stage, but the full benefit will come in the first half of next year.

The group says the year-end will show a further strengthening of the balance sheet as the current office development programme is completed and increased rental income becomes significant. Bank loans and overdrafts are shown in the last accounts at £53m.

The shares rose 2p to 81p and the gross interim dividend is hoisted 7 per cent to 1.53p.

Jonas Woodhead's French acquisition

Leeds-based Jonas Woodhead and Sons is making a takeover in France. It has agreed to buy 75 per cent of Construction et Refection Technique et Moderne of Chichey (about £29,500).

The net assets of CTRM at end-1978 were 6.36m francs, while its sales for 1979 are expected to top 27m francs. It makes shock absorbers under the brand name, Amortex. The contract is conditional on satisfactory completion of a preliminary investigation report from Woodhead's investigating accountants. Woodhead's activities cover springs and suspensions, general engineering, automotive parts and construction.

Child Health Trust's offer oversubscribed

Subscription lists opened and closed yesterday for the Child Health Research Investment Trust which is aimed at raising money for the Great Ormond Street Hospital for Sick Children in London.

The issue, which was to raise £500,000, was a just oversubscribed. Applications for 50,000 shares will be allotted in full. The rest will receive 98.3 per cent of their applications. Dealings in the shares start next Monday.

Bank statements for January

Statements of the London Clearing Banks and their banking subsidiaries in England and Wales, the Channel Islands and the Isle of Man made up to January 16 are summarized in the table below.

	Total	Change on Month	Barclays	Lloyds	Mitland	National Westminster	Williams & Glyn's
£ millions							
Total deposits	72,597	+ 313	19,685	14,464	14,531	22,004	8,076
Cash and balances	1,458	+ 79	450	380	319	358	49
Money market	12,500	+ 1,650	6,680	1,785	2,665	8,799	473
Government securities	12,324	+ 37	3,809	3,788	2,168	5,629	350
Other securities	1,352	+ 27	289	137	479	434	39
Loans	1,707	+ 142	542	247	807	517	93
Assets	37,312	+ 3,405	10,739	6,179	8,518	10,778	1,177
Reserves	12.7	+ 0.7	12.9	12.5	12.6	12.4	12.7

BANK FIGURES

The following are the figures for eligible liabilities, and reserve asset ratios of United Kingdom banks released by the Bank of England yesterday.

	Eligible liabilities	Reserve assets	Ratio
At end-1978	£500m	£500m	100%
Jan	47,510	13.7	13.8
Feb	48,409	27.5	13.5
Mar	48,988	27.6	13.3
Apr	49,158	14.6	13.3
May	48,883	12.8	13.3
Jun	50,069	9.1	13.3
Jul	51,282	18.6	13.2
Aug	52,263	20.7	13.2
Sep	51,647	13.2	13.3
Oct	52,938	13.5	13.2

Boeing tops \$505m for year

Boeing, the huge United States aircraft manufacturer, raised net profits last year from \$323m to \$505m (£220m). Net profits in the final quarter were \$145m compared with \$108m. Last month Boeing was listed in London.

Sales rose sharply, reaching \$8,130m in 1979, compared with \$5,460m during the previous year. The provision against Federal income tax for 1979 is \$310m.

Earnings a share for the whole year came to \$7.83, compared with \$5.04. In the last quarter they were \$2.25, against \$1.68, after allowing for the stock split in 1978.

Last month the company said that its order book stood at \$17,000m, about 90 per cent of which is commercial. Boeing has never depended as heavily on defence contracts as have some of its competitors.

Cooper basin

A firm go-ahead is expected early this year on the development of the huge Cooper Basin liquids scheme in South Australia—it is the largest petroleum energy resource offshore Australia. Two consortium partners, Esso and Shell, added that while it raised domestic turnover by 13 per cent, other manufacturers achieved two per cent growth

in sales and the total West German market shrank by two per cent.

Audi is faced with the task of raising its stake in a market which, in Western Europe, is likely to fall by between five and 10 per cent this year.

Audi NSU
Volkswagenwerk's subsidiary Audi NSU Auto Union had a good year in 1979 and will show an increase in profit over £5m for 1978, but it has continued to be troubled waters after sales of £5,200m in 1979 against £4,510m in 1978, management board chairman Herr Wolfgang Habel said.

United Technologies

Hartford, Connecticut—United Technologies achieved record net income and sales for the fourth quarter and the full year 1979. Mr Harry J. Gray, chairman and chief executive officer, reported.

Net income for the last quarter climbed by 44 per cent to \$89,031m (about £39m). Operations of Carrier Corporation, which last summer became a wholly-owned subsidiary of United Technologies, are consolidated in the results since July 1 last year. Sales for the final quarter totalled \$2,977m—up 75 per cent. Net income for the whole of 1979 rose by 39 per cent to \$325.6m. Fully-diluted earnings per share rose to \$5.71 for the year—a 20 per cent gain on 1978.

Sales for 1979 rose by 45 per cent to \$9,053m. The order backlog crossed the \$10,000m mark during the year for the first time in the corporation's history rising to \$10,500m on December 31—up 21 per cent.

While he expects turnover to grow again this year, if more slowly than last, he cannot be sure Audi will achieve real growth in view of energy and general economic uncertainties.

Herr Habel noted that in boosting total sales by 14 per cent over the previous year, Audi increased its share of the European market in 1979. He added that while it raised domestic turnover by 13 per cent, other manufacturers achieved two per cent growth

Business appointments

Sir John Hunt to join IBM boards

Sir John Hunt, former Secretary to the Cabinet, has been elected to the boards of IBM United Kingdom Holdings and IBM United Kingdom Ltd.

Mr Ken John Hopkins is the new managing director for Baric Computing Services. Mr Alan Watson is now chief executive and managing director of Charles Barker City. Mr Christopher Greening becomes vice chairman and creative director. Mr Don Kennedy and Mr Alan Bayley become assistant managing directors responsible for management services and client services respectively.

Mr Roger Cooper has been appointed to the new post of marketing director, with a seat on the executive board, for Ideal-Stat

dard. Mr Ray Peedle has rejoined the company as sales director and will sit on the executive board.

Mr David Cornie has been appointed a part-time member of the Post Office board for a period of three years from February 1, 1980.

Mr Raymond L. Entwistle has been appointed to the board of Leigh & Silvester Group and will continue as managing director of the subsidiary company, Colas Stewart Minerals.

Mr R. B. M. Kitto has been appointed a senior assistant director of Morgan Grenfell & Co. He will be leaving London on March 31 to take over as the representative in the Cairo office with responsibility for some Middle East countries.

Mr G. Law has been appointed

a director of MYW Incentives. Mr W. H. Proby becomes a director of the group and Mr R. B. Bowen becomes an assistant director. Mr A. S. Minns relinquishes his position as chief executive and returns to Morgan Grenfell & Co as a senior assistant director.

Mr D. Budge, Mr M. Robson, Mr I. M. Smellie, Mr D. A. R. Thompson and Mr B. Uley have been appointed directors of Boots the Chemists. Mr R. E. Colard and Mr A. E. Davis have been appointed directors of Boots Pure Drug Company. Mr J. A. Reid and Mr G. A. Turnbull have been appointed directors of Boots International.

Mr S. D. Medhus has been elected executive vice-president—finance, and chief financial officer of American Express Company.

Briefly

PENSION FUND TRUST

The Pension Fund Property Unit Trust (PFPUT) is making an offer of units at £2.05 per unit to yield 5 per cent. During 1979, income distributed from the fund rose from £84 to £104 per unit while the total return (capital and income combined) on the units was 24 per cent. This compares with 32 per cent from British Government Stocks and 10 per cent from equities.

FINANCIAL NEWS AND MARKET REPORTS

Mitchell
Cotts plans
to resume
tea exports

By Michael Prest

Tea may be exported in significant quantities from Uganda at the beginning of July for the first time since the plantations were nationalised by Idi Amin in 1972. But it will be at least five years before the estates are restored to their previous level of production.

Mitchell Cotts, an international trading, plantation and manufacturing group based in the United Kingdom, entered into an agreement with the Ugandan Government last November under which Mitchell Cotts will have 49 per cent of a new company set up to manage and own the four plantations. The Government will hold the rest of the equity.

Full details of the deal are still under negotiation. But it is understood that Mitchell Cotts's share of the equity in the new company could be covered by the long-delayed settlement of terms for the original state takeover. Before 1973 Mitchell Cotts also owned two coffee plantations on which no agreement has been reached.

Mr Anthony Ballantray-Evans, a Mitchell Cotts director with long experience of Uganda, said that the estates had been "extremely profitable." Outside estimates suggest that in the last year in which they operated fully, the tea plantations contributed about £500,000 out of total profits of £5.8m, a return of 20 per cent on assets employed in Uganda.

Now, of course, Mitchell Cotts will be entitled to only 49 per cent of the dividends. The company is confident that the high yield from the tea bushes, combined with the tea's good quality, will allow the estates easily to return to profitability. If the revival scheme goes to plan, the new company could break even towards the end of 1982.

Wall Street

New York, Feb. 5.—Stock prices fell in active trading this morning as declines in the Dow Jones industrial and the Dow Jones industrial average shed two-and-a-half points.

General Motors slipped 1 to 581. It reported a sharp fall in fourth quarter profits. Ford Motor and Chrysler were unchanged at 33 and 111, respectively.

Northern Telecom rose 5 to 433. Yesterday it said it had signed a \$100m contract to supply electronic switching systems to American Telephone.

February 4: The Dow Jones industrial average closed 6.39 points down at 815.05.

Silver down
SILVER: Futures fell another dollar on scattered liquidation despite the fact that the price of silver was still above the \$100 level.

Gold: Feb. 5, 364.70-365.00; March, 364.70-365.00; April, 364.70-365.00; May, 364.70-365.00; June, 364.70-365.00; July, 364.70-365.00; August, 364.70-365.00; September, 364.70-365.00; October, 364.70-365.00; November, 364.70-365.00; December, 364.70-365.00.

COFFEE: March, 70.00-70.50; April, 70.00-70.50; May, 70.00-70.50; June, 70.00-70.50; July, 70.00-70.50; August, 70.00-70.50; September, 70.00-70.50; October, 70.00-70.50; November, 70.00-70.50; December, 70.00-70.50.

CHICAGO GRAINS: Wheat, March, 2.00-2.05; April, 2.00-2.05; May, 2.00-2.05; June, 2.00-2.05; July, 2.00-2.05; August, 2.00-2.05; September, 2.00-2.05; October, 2.00-2.05; November, 2.00-2.05; December, 2.00-2.05.

COMMODITIES
COPPER: Futures were steady. Afternoon: Cash, 1.50-1.55; March, 1.50-1.55; April, 1.50-1.55; May, 1.50-1.55; June, 1.50-1.55; July, 1.50-1.55; August, 1.50-1.55; September, 1.50-1.55; October, 1.50-1.55; November, 1.50-1.55; December, 1.50-1.55.

DISCOUNT MARKET
Credit conditions remained tight yesterday. However, the Bank of England was required to give only small assistance to the Bank of Scotland and the Bank of Ireland.

RECENT ISSUES
The new Throgmorton Trust Ltd. was formed today. The company is a subsidiary of the Throgmorton Trust Ltd.

BANK BASE RATES
ABN Bank 17%
Barclays Bank 17%
BCCI Bank 17%
Consolidated Credit 17%
C. Hoare & Co. 17%
Lloyds Bank 17%
London Mercantile 17%
Midland Bank 17%
Nat Westminister 17%
Roostminster 17%
TSB 17%
Williams and Glyn's 17%

FOREIGN EXCHANGE REPORT
Sterling continued to maintain its good form yesterday, shuffling aside disappointing bank lending figures and finishing the session with a useful 1 per cent gain at 2.2905 compared with 2.2855 overnight.

STERLING SPOT AND FORWARD
Market rates: 1 month, 2.2905; 3 months, 2.2905; 6 months, 2.2905; 12 months, 2.2905.

STERLING OTHER MARKETS
Sterling continued to maintain its good form yesterday, shuffling aside disappointing bank lending figures and finishing the session with a useful 1 per cent gain at 2.2905 compared with 2.2855 overnight.

DOLLAR SPOT RATES
Market rates: 1 month, 1.0000; 3 months, 1.0000; 6 months, 1.0000; 12 months, 1.0000.

EMS EUROPEAN CURRENCY RATES
Market rates: 1 month, 1.0000; 3 months, 1.0000; 6 months, 1.0000; 12 months, 1.0000.

GOLD
Gold prices were steady. Afternoon: Cash, 364.70-365.00; March, 364.70-365.00; April, 364.70-365.00; May, 364.70-365.00; June, 364.70-365.00; July, 364.70-365.00; August, 364.70-365.00; September, 364.70-365.00; October, 364.70-365.00; November, 364.70-365.00; December, 364.70-365.00.

EURO-DEPOSITS
Euro-deposit rates were steady. Afternoon: 1 month, 1.0000; 3 months, 1.0000; 6 months, 1.0000; 12 months, 1.0000.

THE NEW THROGMORTON TRUST LTD.
The company is a subsidiary of the Throgmorton Trust Ltd.

THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.

M. J. H. NIGHTINGALE & CO. LIMITED
The company is a subsidiary of the Throgmorton Trust Ltd.

THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.

THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.

THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.

THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.


THE OVER-COUNTER MARKET
The company is a subsidiary of the Throgmorton Trust Ltd.

Authorized Units, Insurance & Offshore Funds

Unit Name	Price	Yield	Unit Name	Price	Yield	Unit Name	Price	Yield	Unit Name	Price	Yield
Abn Bank	17.00	17.00	Abn Bank	17.00	17.00	Abn Bank	17.00	17.00	Abn Bank	17.00	17.00
Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00
BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00
Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00
C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00
Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00
London Mercantile	17.00	17.00	London Mercantile	17.00	17.00	London Mercantile	17.00	17.00	London Mercantile	17.00	17.00
Midland Bank	17.00	17.00	Midland Bank	17.00	17.00	Midland Bank	17.00	17.00	Midland Bank	17.00	17.00
Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00
Roostminster	17.00	17.00	Roostminster	17.00	17.00	Roostminster	17.00	17.00	Roostminster	17.00	17.00
TSB	17.00	17.00	TSB	17.00	17.00	TSB	17.00	17.00	TSB	17.00	17.00
Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00
Abn Bank	17.00	17.00	Abn Bank	17.00	17.00	Abn Bank	17.00	17.00	Abn Bank	17.00	17.00
Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00	Barclays Bank	17.00	17.00
BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00	BCCI Bank	17.00	17.00
Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00	Consolidated Credit	17.00	17.00
C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00	C. Hoare & Co.	17.00	17.00
Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00	Lloyds Bank	17.00	17.00
London Mercantile	17.00	17.00	London Mercantile	17.00	17.00	London Mercantile	17.00	17.00	London Mercantile	17.00	17.00
Midland Bank	17.00	17.00	Midland Bank	17.00	17.00	Midland Bank	17.00	17.00	Midland Bank	17.00	17.00
Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00	Nat Westminister	17.00	17.00
Roostminster	17.00	17.00	Roostminster	17.00	17.00	Roostminster	17.00	17.00	Roostminster	17.00	17.00
TSB	17.00	17.00	TSB	17.00	17.00	TSB	17.00	17.00	TSB	17.00	17.00
Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00	Williams and Glyn's	17.00	17.00

LET THE GIN BE HIGH & DRY.

Really Dry Gin



Stock Exchange Prices

ACCOUNT DAYS: Dealings Began, Jan 28. Dealings End, Feb 8. Contango Day, Feb 11. Settlement Day, Feb 18

Forward bargains are permitted on two previous days

John Wood

plant and machinery valuers

1979-80			1978-79			1977-78			1976-77			1975-76			1974-75			1973-74			1972-73			1971-72			1970-71			1969-70			1968-69			1967-68			1966-67			1965-66			1964-65			1963-64			1962-63			1961-62			1960-61			1959-60			1958-59			1957-58			1956-57			1955-56			1954-55			1953-54			1952-53			1951-52			1950-51			1949-50			1948-49			1947-48			1946-47			1945-46			1944-45			1943-44			1942-43			1941-42			1940-41			1939-40			1938-39			1937-38			1936-37			1935-36			1934-35			1933-34			1932-33			1931-32			1930-31			1929-30			1928-29			1927-28			1926-27			1925-26			1924-25			1923-24			1922-23			1921-22			1920-21			1919-20			1918-19			1917-18			1916-17			1915-16			1914-15			1913-14			1912-13			1911-12			1910-11			1909-10			1908-09			1907-08			1906-07			1905-06			1904-05			1903-04			1902-03			1901-02			1900-01			1899-00			1898-99			1897-98			1896-97			1895-96			1894-95			1893-94			1892-93			1891-92			1890-91			1889-90			1888-89			1887-88			1886-87			1885-86			1884-85			1883-84			1882-83			1881-82			1880-81			1879-80			1878-79			1877-78			1876-77			1875-76			1874-75			1873-74			1872-73			1871-72			1870-71			1869-70			1868-69			1867-68			1866-67			1865-66			1864-65			1863-64			1862-63			1861-62			1860-61			1859-60			1858-59			1857-58			1856-57			1855-56			1854-55			1853-54			1852-53			1851-52			1850-51			1849-50			1848-49			1847-48			1846-47			1845-46			1844-45			1843-44			1842-43			1841-42			1840-41			1839-40			1838-39			1837-38			1836-37			1835-36			1834-35			1833-34			1832-33			1831-32			1830-31			1829-30			1828-29			1827-28			1826-27			1825-26			1824-25			1823-24			1822-23			1821-22			1820-21			1819-20			1818-19			1817-18			1816-17			1815-16			1814-15			1813-14			1812-13			1811-12			1810-11			1809-10			1808-09			1807-08			1806-07			1805-06			1804-05			1803-04			1802-03			1801-02			1800-01			1799-00			1798-99			1797-98			1796-97			1795-96			1794-95			1793-94			1792-93			1791-92			1790-91			1789-90			1788-89			1787-88			1786-87			1785-86			1784-85			1783-84			1782-83			1781-82			1780-81			1779-80			1778-79			1777-78			1776-77			1775-76			1774-75			1773-74			1772-73			1771-72			1770-71			1769-70			1768-69			1767-68			1766-67			1765-66			1764-65			1763-64			1762-63			1761-62			1760-61			1759-60			1758-59			1757-58			1756-57			1755-56			1754-55			1753-54			1752-53			1751-52			1750-51			1749-50			1748-49			1747-48			1746-47			1745-46			1744-45			1743-44			1742-43			1741-42			1740-41			1739-40			1738-39			1737-38			1736-37			1735-36			1734-35			1733-34			1732-33			1731-32			1730-31			1729-30			1728-29			1727-28			1726-27			1725-26			1724-25			1723-24			1722-23			1721-22			1720-21			1719-20			1718-19			1717-18			1716-17			1715-16			1714-15			1713-14			1712-13			1711-12			1710-11			1709-10			1708-09			1707-08			1706-07			1705-06			1704-05			1703-04			1702-03			1701-02			1700-01			1699-00			1698-99			1697-98			1696-97			1695-96			1694-95			1693-94			1692-93			1691-92			1690-91			1689-90			1688-89			1687-88			1686-87			1685-86			1684-85			1683-84			1682-83			1681-82			1680-81			1679-80			1678-79			1677-78			1676-77			1675-76			1674-75			1673-74			1672-73			1671-72			1670-71			1669-70			1668-69			1667-68			1666-67			1665-66			1664-65			1663-64			1662-63			1661-62			1660-61			1659-60			1658-59			1657-58			1656-57			1655-56			1654-55			1653-54			1652-53			1651-52			1650-51			1649-50			1648-49			1647-48			1646-47			1645-46			1644-45			1643-44			1642-43			1641-42			1640-41			1639-40			1638-39			1637-38			1636-37			1635-36			1634-35			1633-34			1632-33			1631-32			1630-31			1629-30			1628-29			1627-28			1626-27			1625-26			1624-25			1623-24			1622-23			1621-22			1620-21			1619-20			1618-19			1617-18			1616-17			1615-16			1614-15			1613-14			1612-13			1611-12			1610-11			1609-10			1608-09			1607-08			1606-07			1605-06			1604-05			1603-04			1602-03			1601-02			1600-01			1599-00			1598-99			1597-98			1596-97			1595-96			1594-95			1593-94			1592-93			1591-92			1590-91			1589-90			1588-89			1587-88			1586-87			1585-86			1584-85			1583-84			1582-83			1581-82			1580-81			1579-80			1578-79			1577-78			1576-77			1575-76			1574-75			1573-74			1572-73			1571-72			1570-71			1569-70			1568-69			1567-68			1566-67			1565-66			1564-65			1563-64			1562-63			1561-62			1560-61			1559-60			1558-59			1557-58			1556-57			1555-56			1554-55			1553-54			1552-53			1551-52			1550-51			1549-50			1548-49			1547-48			1546-47			1545-46			1544-45			1543-44			1542-43			1541-42			1540-41			1539-40			1538-39			1537-38			1536-37			1535-36			1534-35			1533-34			1532-33			1531-32			1530-31			1529-30			1528-29			1527-28			1526-27			1525-26			1524-25			1523-24			1522-23			1521-22			1520-21			1519-20			1518-19			1517-18			1516-17			1515-16			1514-15			1513-14			1512-13			1511-12			1510-11			1509-10			1508-09			1507-08			1506-07			1505-06			1504-05			1503-04			1502-03			1501-02			1500-01			1499-00			1498-99			1497-98			1496-97			1495-96			1494-95			1493-94			1492-93			1491-92			1490-91			1489-90			1488-89			1487-88			1486-87			1485-86			1484-85			1483-84			1482-83			1481-82			1480-81			1479-80			1478-79			1477-78			1476-77			1475-76			1474-75			1473-74			1472-73			1471-72			1470-71			1469-70			1468-69			1467-68			1466-67			1465-66			1464-65			1463-64			1462-63			1461-62			1460-61			1459-60			1458-59			1457-58			1456-57			1455-56			1454-55			1453-54			1452-53			1451-52			1450-51			1449-50			1448-49			1447-48			1446-47			1445-46			1444-45			1443-44			1442-43			1441-42			1440-41			1439-40			1438-39			1437-38			1436-37			1435-36			1434-35			1433-34			1432-33			1431-32			1430-31			1429-30			1428-29			1427-28			1426-27			1425-26			1424-25			1423-24			1422-23			1421-22			1420-21			1419-20			1418-19			1417-18			1416-17			1415-16			1414-15			1413-14			1412-13			1411-12			1410-11			1409-10			1408-09			1407-08			1406-07			1405-06			1404-05			1403-04			1402-03			1401-02			1400-01			1399-00			1398-99			1397-98			1396-97			1395-96			1394-95			1393-94			1392-93			1391-92			1390-91			1389-90			1388-89			1387-88			1386-87			1385-86			1384-85			1383-84			1382-83			1381-82			1380-81			1379-80			1378-79			1377-78			1376-77			1375-76			1374-75			1373-74			1372-73			1371-72			1370-71			1369-70			1368-69			1367-68			1366-67			1365-66			1364-65			1363-64			1362-63			1361-62			1360-61			1359-60			1358-59			1357-58			1356-57			1355-56			1354-55			1353-54			1352-53			1351-52			1350-51			1349-50			1348-49			1347-48			1346-47			1345-46			1344-45			1343-44			1342-43			1341-42			1340-41			1339-40			1338-39			1337-38			1336-37			1335-36			1334-35			1333-34			1332-33			1331-32			1330-31			1329-30			1328-29			1327-28			1326-27			1325-26			1324-25			1323-24			1322-23			1321-22			1320-21			1319-20			1318-19			1317-18			1316-17			1315-16			1314-15			1313-14			1312-13			1311-12			1310-11			1309-10			1308-09			1307-08			1306-07			1305-06			1304-05			1303-04			1302-03			1301-02			1300-01			1299-00			1298-99			1297-98			1296-97			1295-96			1294-95			1293-94			1292-93			1291-92			1290-91			1289-90			1288-89			1287-88			1286-87			1285-86			1284-85			1283-84			1282-83			1281-82			1280-81			1279-80			1278-79			1277-78			1276-77			1275-76			1274-75			1273-74			1272-73			1271-72			1270-71			1269-70			1268-69			1267-68			1266-67			1265-66			1264-65			1263-64			1262-63			1261-62			1260-61			1259-60			1258-59			1257-58			1256-57			1255-56			1254-55			1253-54			1252-53			1251-52			1250-51			1249-50			1248-49			1247-48			1246-47			1245-46			1244-45			1243-44			1242-43			1241-42			1240-41			1239-40			1238-39			1237-38			1236-37			1235-36			1234-35			1233-34			1232-33			1231-32			1230-31			1229-30			1228-29			1227-28			1226-27			1225-26			1224-25			1223-24			1222-23			1221-22			1220-21			1219-20			1218-19			1217-18			1216-17			1215-16			1214-15			1213-14			1212-13			1211-12			1210-11			1209-10			1208-09			1207-08			1206-07			1205-06			1204-05			1203-04			1202-03			1201-02			1200-01			1199-00			1198-99			1197-98			1196-97			1195-96			1194-95			1193-94			1192-93			1191-92			1190-91			1189-90			1188-89			1187-88			1186-87			1185-86			1184-85			1183-84			1182-83			1181-82			1180-81			1179-80			1178-79			1177-78			1176-77			1175-76			1174-75			1173-74			1172-73			1171-72			1170-71			1169-70			1168-69			1167-68			1166-67			1165-66			1164-65			1163-64			1162-63			1161-62			1160-61			1159-60			1158-59			1157-58			1156-57			1155-56					
---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	---------	--	--	--	--	--



مكاتب التحصيل

Have you ever wished you were better employed?

WELL HERE'S THE OPPORTUNITY - The Times is well and truly back and we're looking for Telephone Sales staff to make up our team, to work in the exciting atmosphere of the No. 1 national newspaper, selling the benefits of our world famous classified columns.

However, it's not that easy - you will need 'O' level standard education and demonstrate a thoroughly professional approach - drive, enthusiasm and the ability to succeed working under pressure are just some of the qualities needed to carry out this challenging position. In return we will offer a complete sales training to ensure your success in your new career. We'll reward you with a generous basic salary on a 9 day fortnight plus a highly competitive bonus structure and 6 weeks holiday.

THE TIMES

Contact Angela Grindley on
01-837 1234 ext 7164

or write to her at: The Times, Gray's Inn Rd, WC1X 8EX.

Rockware Group Limited

DIRECTORS' SECRETARIES

Windsor

Two top Secretaries are required at our attractive, new Group Headquarters in the centre of Windsor. Excellent salaries together with valuable benefits are offered in both cases. The first post, Secretary to the Group Managing Director, requires substantial experience at Board level. The second, Secretary to the Managing Director - International, requires several years' experience at senior secretarial level together with the personal initiative necessary to cope during his frequent overseas visits. For further information, please telephone Tony Child on Windsor (95) 57421, or write with details of qualifications and experience to him at: Rockware Group Ltd., Rockware House, 13/21 Victoria Street, Windsor, Berks.



World Championship Sport in the 80's

A newly formed International Sports and Marketing Consultancy in W1 needs an attractive, experienced, and capable person, to run its prestige offices. Typing, shorthand or speed-writing and a good telephone manner, are essential, but more important is the ability to cope under pressure and always remain unfappable! Salary is negotiable in excess of £5,500. For the right person this is the chance to be an integral part of an exciting and new venture in World Sport. Initial interviews will take place this Friday, 8th February. For an appointment please telephone Gideon Lloyd on 01-439 8127.

SHORTHAND SECRETARY/P.A./ADMIN.

Flexi-hours

E.C.2

Commonsense and flexibility are more important than brains for this varied and interesting position to work as part of a team for a firm of Commodity Brokers. You will need to be well dressed and spoken and able to work on your own initiative in order to liaise with clients throughout the world and deal with all the office administration. You will, of course, get your just rewards as well as an excellent salary of £5,500.

Please ring 248 2684. Ref. 1894

WE SPECIALISE IN TOP EXECUTIVE SECRETARIES

We concentrate on finding

TOP EXECUTIVE SECRETARIAL

vacancies in the City and West End for Secretaries with excellent skills and personal qualities to match, with a professional or commercial background. If you fit this description we and some of our clients would like to meet you. Please ring to arrange an appointment to come and talk to Angela and Isobel.

TOPEX SECRETARIES
01-248 2684

Recruitment Consultants

NEW HORIZONS

49 BROMPTON ROAD,
KNIGHTSBRIDGE, SW3.
TEL: 01-584-4223

SECRETARY TO SENIOR PARTNER, able to work as part of team and handle clients mainly in the international world. Shorthand useful but mostly audio. Less than 10 years exp. Age 25-35. W.1.

IF YOU WANT INVOLVEMENT and plenty of responsibility this busy Personnel division needs you! Shorthand, typing + admin. ability a must. Age 25-35. £5,500 +

W.C.1.

BECOME A SUPER OPPORTUNITY to break into an Advertising Publicity career working as Assistant Secretary and admin. back-up to busy Publisher. Manager in an active creative divn. of major retail store. Age 19-25. W.1.

Recruitment Consultants

SHORTHAND SECRETARY

£5,500

A leading West End Jewellers require an experienced well skilled Secretary to act as P.A. to their regional director. Parts include a free lunch, 4 weeks annual leave, own office, etc. Tel. Miss Penelope MacCane 01-838 6377/430 6530.

Alfred Marks Staff Bureau
7 Lower Regent St., S.W.1
Just down from Piccadilly Circus

Recruitment Consultants

URGENT!

£5-6,000 neg

New, private, small but growing company in Knightsbridge requires an efficient, experienced secretary with a mature and responsible disposition. First class shorthand and typing essential (60/100). Knowledge of French an asset. 4 weeks holiday. Pleasant surroundings and friendly atmosphere. Contact Miss Brierly 734 4551 10 am to 5 pm

Circa £8,000 p.a. TOP P.A./SEC.

required for Mineral Brokers office in Holborn. Educated to 'A' level standard, impeccable shorthand and tele. capable of working under pressure. Excellent appearance and cheerful, team-spirited personality essential. Aged 25-35. Please ring me at my office 01-404 3111

EARN £10,000 OR MORE

We are looking for a dynamic person to join our team of consultants. You will visit clients to discuss their secretarial needs and select suitable applicants. Good commercial and city experience required. Age about 30. Please ring 01-493 8980

COSMETICS £5,500 + Free Cosmetics

Get out of mundane secretarial work - join this prestigious cosmetics company in W.1. As Sec. PA to this charming Sales Director you'll be monitoring sales achievements, preparing business reports, handling his secretary, travel and diary arrangements, handling his secretary, travel and diary arrangements. For an exciting new career call Secretary Clark on 01-838 6377.

PA to CHAIRMAN c £5,500
Leaving your career and assist the Chairman of this holding company - some business in the City of London. You will spend the day of the day handling his secretary, travel and diary arrangements. For an exciting new career call Secretary Clark on 01-838 6377.

SECS become EXECs £5,000 + + +
This opportunity provides an excellent training into travel and business. You will be working with a very busy and successful Executive. You will be responsible for his secretary, travel and diary arrangements. For an exciting new career call Secretary Clark on 01-838 6377.

ARCHITECTURE £5,000
An Office Manager/Secretary you will be fully involved in the architecture and design of a new building. You will be responsible for his secretary, travel and diary arrangements. For an exciting new career call Secretary Clark on 01-838 6377.

Late opening Tuesday evening by appointment

01-828-8055

CHURCHILL PERSONNEL

PERSONNEL CONSULTANTS

Alfred House, 13 Wilton Road, London SW1V 1LT

SECRETARY c. £5,000 plus Bonus

Our client, a major company in the oil and petrochemical engineering field with offices close to Mornington Crescent Tube Station has an interesting and challenging position for a Secretary to Director of Sales.

Aged 25+, the successful applicant will have had senior secretarial experience, be able to work under pressure and be willing to work overtime when required.

The company offers, in addition to the excellent salary, an attractive benefits package including an annual increasing bonus, 4 weeks' holiday etc. Please write with career details, quoting ref T/.. or telephone:

Janice Littlejohn,
Gerrard Recruitment Service,
10 Argyle Street,
London, W1V 2BQ
Tel: 01-437 6816

Margery Hurst Centre

Career Consultants
47 Davies Street, W.1
01-629 8812

At the Centre of the future career

S.W.1. £5,600 Negotiable

The young MD of a Paper Co is looking for a PA/Secretary. The job is interesting, the office modern and they require someone to join their small friendly team. Aged 25+, skills 100/60, 30p p.d. LVA and Company Pension Scheme.

S.W.1. £5,500

Senior Secretary/PA to work for the MD of a rapidly expanding Engineering Co. Aged 25+ with good secretarial skills you must be versatile and adaptable. Duties will include arranging meetings and lunches, etc. Generous benefits (bonus, 4 weeks holiday, free commuting costs, non-contributory pension scheme and free life assurance).

Is your Personality buried beneath the paperwork?

Two Administrative P.A.s £5,000+

Buckingham Appointments is a very busy and successful firm of Recruitment Specialists with clients including many major UK and international companies.

Our continuing expansion creates these interesting opportunities for 2 highly capable administrative PAs, who can - with secretarial support - take over the running of the office.

You'll be helping with Sales Managers, Personnel Managers and prospective candidates taking briefs, answering queries - so we're looking for friendly, outgoing, responsible people with a background in any of the following: Advertising Administration, Personnel Agency work or similar environment. Ring Tony Williams now, on 01-838 8232 or until 8.30 pm, Buckingham Appointments, 205 Victoria Street, London SW1.

£6,000

OFFICE ADMINISTRATOR - Entrepreneur Investment Co. seeks Administrator/Secretary to organize their office, staff recruitment and cope with the day to day problems of a busy office.

£5,000

NO SHORTHAND? Assistant with spoken French and good typing to join small friendly team involved in booking hotel accommodation for conferences, seminars, etc.

BOND ST BUREAU
(Recruitment Consultants)
629 3692 629 0641

MAYFAIR P.A. £5,500-6,000

Highly successful international co. in Mayfair seek an efficient and assured PA/Secretary (194/170) 30+ to coordinate the company's international business. A good opportunity for someone who enjoys a degree of independence. Luxury car.

U.S. BROKERS P.A. £5,500
Senior Secretary/PA to work for a prestigious American-based company near Sloane Square. We need someone to do some typing, travel arrangements and to handle the company's international business. A good opportunity for someone who enjoys a degree of independence. French important.

BERKELEY APPOINTMENTS
161 New Bond Street, London, W.1
Tel: 01-408 0444
(Recruitment Consultants)

TWO SENIOR SECRETARIES

A partnership of Architects/Planners based in Central London and engaged in work in the UK and Overseas wishes to recruit two Senior Secretaries.

These posts require a high standard of secretarial skills and will especially attract persons with administrative abilities and a talent for organization. Previous experience in an Architectural or Engineering environment would be useful but not essential. Salary £5,000. Please Phone C. Dunn, 01-593 3288, for an application form.

SALARY NEGOTIABLE FROM £6,000

Senior person for responsible, small office in a busy, private company near Sloane Square. We need someone to do some typing, travel arrangements and to handle the company's international business. A good opportunity for someone who enjoys a degree of independence. French important.

SECRETARY c. £5,500

The Personnel Manager of a large shipping company urgently requires a mature secretary with good organizational skills, a good computer, with high shorthand and typing speeds, to run with help of an assistant the department of 5 staff. Please contact Barbara Charlton, RSWP Recruitment on 01-828 6277 quoting Ref. 5148.

The Best P.A.'s in London

£5,000-£5,400

West End & City: Audio & Shorthand

Management Consultants - Personnel
Overseas recruitment arrangements and considerable administrative, liaison and personal contact - City.

Head of Sales & Marketing

Complicated diary and travel, opportunities to deputize and take responsibility.

Group Personnel Manager

Communication with all levels of personnel. Multi-national household name - West End.

Young Solicitor

Needs young secretary to support all his legal and business responsibilities. Interesting and fast moving - W.1.

01-730 8525
Patience Caplan Smith
(Consultants)

Administrative Assistant to Company Secretary

Unicorn Industries Limited, a world leader in abrasive technology, urgently requires an experienced administrative assistant at its pleasant Group headquarters opposite Windsor Castle.

The successful applicant will join a small team and will be responsible to the Group Company Secretary for the administration of the Group pension, insurance and Own-As-You-Earn Schemes, as well as the supervision of housekeeping and secretarial staff at Castle Hill House.

Salary according to experience.

Please telephone or write to:

Miss J. A. S. Bird
Assistant Group Secretary
Unicorn Industries Limited
Castle Hill House
Windsor, Berkshire SL4 1LY
Tel. Windsor (07535) 54231

More a Manager than a P.A.

Salary neg. but not less than £5,500

Working as my Personal Assistant (often on your own) will involve you in far more than most secretarial jobs. I need someone to become really committed and interested in my business, social, lively company and other pursuits. Working in a lovely office a stone's throw from Bond Street tube you'll need senior secretarial experience combined with the confidence and maturity to cope with making decisions when I'm out. A little figure work is involved. Please telephone for a preliminary chat. 01-493 8484

£6,500

Our client, the European representative of an American Investment Bank needs a Personal Assistant. He handles a wide variety of projects from shipping and aviation companies to hotels and recording studios. He needs a career minded person to whom he can delegate and who is prepared to become involved in researching his clients needs. Good secretarial skills and business acumen required. Some travel.

Directors' Secretaries
RECRUITMENT CONSULTANTS
Tel: 01-629 9323

FINANCIAL DIRECTOR'S SECRETARY

We require a Secretary to work with our Financial Director and Internal Audit. You will have your own office in attractive surroundings and three charming men (2 English and 1 American) to work for. Ideally you will be aged 25+ with experience of a financial environment and of working at Director level. Excellent typing is essential and a shorthand speed of 80 wpm will be acceptable. We will offer you a competitive salary, LVA, bonus and other fringe benefits.

For further details and interview, please telephone Brenda Pountney on 01-437 2885 or write to Stems & Webster Engineering Limited, 228 Gray's Inn Road, London WC1X 8NA.

DIRECTOR'S SECRETARY

We are a company of Stockbrokers and currently have a vacancy for a Secretary to the Director responsible for the company's Finance Department.

In addition to excellent shorthand/secretarial skills, we are looking for someone with good administrative ability and the maturity to work at a senior level.

For further information please contact Annette Culverhouse, Personnel Officer, House Govett Ltd., Hoxon House, 319-325 High Holborn, London WC1.

Telephone 01-405 7507

LEVEL HEADED PERSON

required for general administrative duties in an expanding architectural practice opposite Camden Passage, Islington. A demanding job for an experienced person in a busy informal atmosphere. Willingness to take initiative and develop management skills. S.H. and accurate typing essential as back up to management duties. Salary approx. £5,500, depending on age and experience.

Write or Tel. to Jenny Gadd, DEVAPROSAD CHAKRAVARTI, 62/63 Upper St., Islington, N.1. Tel: 359 5491.

Secretary P.A. to President

Salary circa £5,000
President of large Shipping Company situated on River-side of London. The company requires a mature, experienced Secretary/PA to handle all aspects of secretarial work. Applicants must be used to working at 100 level with confidential manner. Shorthand and audio, required. Please telephone: 01-876 0634 Mrs. Beverly Jackson

SECRETARY ASSISTANT

Personality Plus
£5,000 p.a. + excellent benefits
Top secretarial skills, a lively personality and a pleasing appearance are the requirements of this International Director. A challenging but rewarding position for an educated secretary who has the ability to organize and liaise at all levels. Tel. Anne or Sue on 373 7444 Blue Arrow Staff Service

PER executive secretaries

City £6,500

Very efficient Senior Secretary required for Financial Director. Benefits are exceptionally good.

Tottenham Court Road £6,000

Good Secretarial Skills, some Admin. Experience. All the advantages and challenge of large thriving company.

Animal Lover £5,000

Ability to run office. Some knowledge Book-Keeping and Secretarial skills. Lovely opportunity for person with tact and kindness. Probably suit age 30-40.

Mayfair £5,500

This busy Director needs a Secretary who is really 'on the ball'. Good Secretarial skills and a flair for collecting useful information at speed. All the benefits of famous well established Company.

For details of these and many other vacancies Contact:

DOROTHY ALLISON

01-235 9984

PER Executive Secretaries,
4-5 Grosvenor Place, London SW1X 7SB

CREATIVE JAYGAR

MARKETING £6,500

Experience in P.R. or marketing plus good typing skills. Working for director of friendly West End Co.

TV W.1. c. £5,000

Head of programme planning needs experienced Sec. with 2-3 years' experience in TV and advertising. Knowledge of French useful, also TV exp.

ADVERTISING £5,000 neg.

Director of West End agency specialising in consumer accounts needs Sec. skills and previous adv. experience.

PUBLISHING, S.W.1 £5,000 neg.

U.S. Editor of International Co. needs first class PA/Sec. for press releases and various work.

Open until 6.30 p.m. Wednesday

Consultants

55a Sloane Square London SW1

01-730 5148

JAYGAR

Margery Hurst Centre

Career Consultants
47 Davies Street, W.1
01-629 8812

At the Centre of the future career

Wembley £6,500

Bilingual German PA/Secretary for MD of large Book Club. Aged 25-35, excellent sec skill 110/60, German SH useful. Responsibilities will cover dictation, arranging meetings, minutes, expenses and phone contact with Germany. 4 weeks holiday, 30p p.d. LVA, IPSTL and Company discount on books and records.

S.W.1. £5,500

Secretary to work for the Public Relations Officer of a holding Co. Good typing and SH required. Must have a sparkling personality and a healthy appetite for responsibility. Pension Scheme, £2.50 LVA p.w. and IPSTL.

BLOOD, SWEAT AND ... FUN!!

Two young humorous, hardworking Directors urgently require a pleasant, conscientious and fun loving

P.A./SECRETARY

to help run a dynamic and successful computer consultancy which employs 80 people and whose clients include some of the largest companies in the country.

Our offices are situated at Oxford Street and we will shortly be moving to new offices nearby. Candidates should be 25+ have good shorthand and excellent typing skills. They should also be totally self motivating, energetic, strong minded, hardworking and determined. This is not a job for the faint-hearted or weak-willed.

If you can fulfil this specification we can offer a starting salary of £5,000 p.a., twice yearly reviews, overtime, bonus and an incredible amount of fun.

Tel. Eric on 01-734 8681

HUNGRY FOR A NEW JOB? LET'S HAVE A LEGAL LUNCH

Just you and me and some plain talking about our Legal Secretaries opportunities in the £4,500/£5,000 range. Tell me what you'd like to eat and drink when you phone me for a lunch date (I'll help with taxi fares too). Previous legal experience not always necessary, if you have good shorthand/audio, age 18/45.

Phone Amanda Lakin

LAWSTAFF LTD 836 5207

PARTNER'S SECRETARY

Partner specializing in commercial conveyancing in friendly firm of Holborn solicitors needs an efficient, cheerful secretary preferably with legal experience. A challenging job in pleasant surroundings. Salary commensurate with experience but not less than £5,000+, salary reviews every 6 mths. and bonus scheme.

Call Peter Jacobs on 405-8963 (no agencies)

Audio Secretary/Receptionist

with legal experience required for Temple Solicitors. Varied work with litigation bias. Salary, £5,000 p.a. Ring 353 7036, Ext. 32.

DP, Management and Training Consultants near Waterloo

We need an experienced secretary for the Managing Director with excellent shorthand and typing skills. Benefits include: Salary £5,000 neg; LV's; Season ticket loan. Please contact Sue Hammond 01-583 0866 for further information.

When home extension is the answer

The location of the present house in its garden is also important. Those which are to one side of the existing garden are much better placed.

Here, the living accommodation includes three main reception rooms, a studio, music room and a study. Upstairs are a main bedroom, dressing room and bathroom suite, a nursery suite of three bedrooms, plus a further seven bedrooms. Two of

There is a basement complex which includes a billiards room, with a bar room off it, a playroom and an occasional bedroom, with five further storage rooms. Gardens and grounds extend to about nine acres and include a paddock. As might be expected, an elegant building of this size is not cheap. Offers in the region of £350,000 are expected, and the agents are Giddy and Giddy, of Sunningdale.

More usual in size is a

pleasant property called Treotops, at Henley-on-Thames, Oxfordshire. The house was built of brick and timber with rendered walls at the beginning of the century and now displays some fine wisteria. It stands in about 6½ acres of grounds, with fine views across open countryside. The accommodation includes three reception rooms, a conservatory and six bedrooms. There are also a revolving sunroom and a swimming pool.

The grounds are made up

At the same price is a property called Blythe on the River Avon, at Bidford-on-Avon, Warwickshire. Constructed of Cotswold stone and built sometime in the

Also on the market at £150,000 and with a river frontage is Sandlea Court, at Datchet, Berkshire, held on a Crown Estate lease with about 70 years to run. One of the attractions of the property is that it has a frontage of some 920ft to the River Thames on which there has recently been considerable expenditure.

Another well-located country cottage is Hillcroft, at

A modern architect designed family house is Wood Avenue, at Sevenhampton, about seven miles from Cheltenham, Gloucestershire. Built in 1970, of reconstructed Cotswold stone, it has two reception rooms, a study or extra bedroom, and three main bedrooms. The garden is about one third of an acre and includes a green house, with an automatic watering and ventilation device, and also a natural stone-banked stream. The house is to provide a bed-sitting room and a kitchen. The price is £67,500. The agents are G. H. Bayley and Sons, of Cheltenham.

Gerald Elv

Residential property

Luxury homes with gas central heating and full loft and cavity wall insulation in an area of great historical interest and natural beauty.

4 bedroom homes with shower en suite to master bedroom, utility room, study and double garage. From £78,000.

4 bedroom homes with two bathrooms, fitted kitchen, study and utility room. Some with double garage. From £82,000.

هكذا من الأصل

